Activation policies in Western Europe

The multidimensionality of "novel" labour market strategies

Cumulative Thesis

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INTRODUCTION

Unemployment has hit the headlines for four years now. Almost daily our attention is drawn to the large numbers of young unemployed in Italy, Greece, and Spain or to the fact that Germany has mastered the crisis and is outperforming all other European countries. We know that short-time policies have been prolonged, especially in the continental and southern European welfare states, so as to keep "male breadwinners" in the labour market (Sacchi et al. 2011). However, what exactly do we know about the policy preferences of the political elites and their understanding of how the manifold and inherently post-industrial labour market challenges are to be met? We read even less about the strategies of those actors which are not currently in government. Furthermore, the question of whether unemployment is framed in the same way in all European debates or whether political and media elites discuss *functionally equivalent* issues has not been explored yet. These examples illustrate that especially with respect to novel[1] measures – in particular, the activation policies being implemented to fight unemployment – rather little is known about elite preferences and discourses, albeit with the exception that the single country-specific labour market reform processes have been studied in great detail (Clasen and Clegg 2011; Fleckenstein 2008; Kermmerling and Bruttel 2006; Hemerijck and Eichhorst 2010; Ludwig-Mayerhofer and Wroblewski 2004).

Even more questions arise when focusing on the demand side of labour market policies. The dualisation literature has not conclusively determined what kind of policy instruments and welfare schemes best suit labour market *outsiders*, the unemployed in particular (Rueda 2006 and 2007; Emmenegger 2011;

[1] The question of whether activation policies can be considered novel or not is debatable since in Sweden such strategies were applied as early as the 1950s. However, the rather recent diffusion of these policies legitimates, in my opinion, the characterisation of them as "novel" instruments.

Häusermann and Schwander 2013; Palier and Thelen 2010). It is also a matter of dispute whether outsiders actually favour active labour market policies and insiders merely favour passive ones. Furthermore, little is known about public attitudes towards activation: who exactly prefers pro-employment measures, such as (subsidised) mini-jobs or provisional internships, and who instead endorses human-capital investment such as (re-)training? The motivations and the decision-making processes underlying these attitudes are underexplored.

Studying preferences for labour market (activation) policies from the perspective of both the political demand *and* supply side is interesting because these approaches complement each other. On the one side, we obtain information about which policy strategies are the most salient, controversial, or most widely implemented. On the other side, as Page and Shapiro (1992) recognised, we learn how politicians could use information on popular preferences to adapt their strategic framing. Especially in times of austerity (Pierson 1996), knowledge about public attitudes might increase political responsiveness and/or provide politicians with advantages when trying to convince the public of the worth of *their* labour market policy strategy.

I study in detail whether the elites' preferences for specific (active) labour market policies and the resulting political conflict are influenced by institutional legacies and hence diverge across regimes and/or countries. My findings suggest that the preferences of political elites are indeed affected by institutional settings and that particularly those policies which depart from the institutional tradition of a labour market regime are subject to controversy.

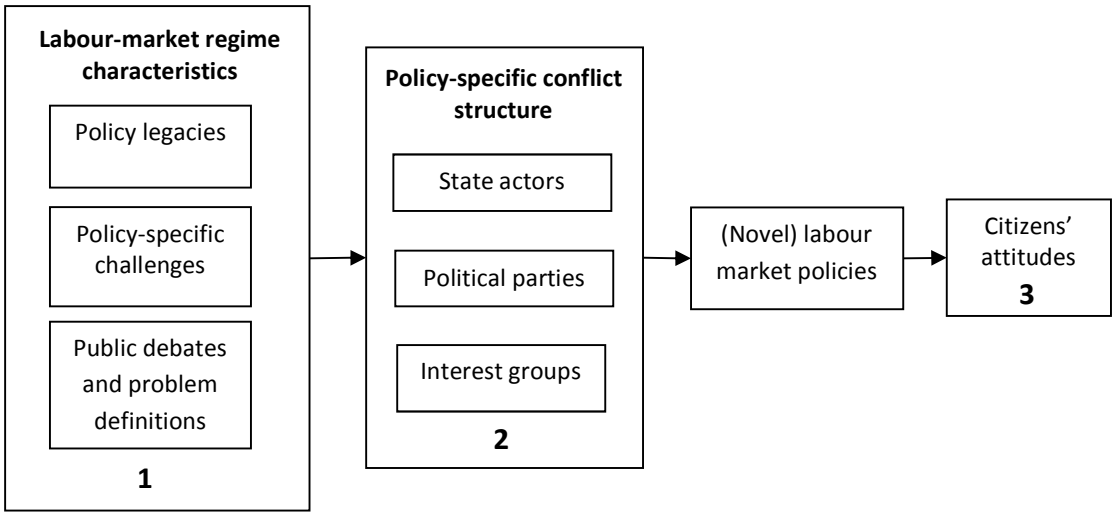
In sum, in this thesis I would like to contribute to the literature on how elite and public preferences can be characterised in six western European countries, and help in answering important questions which have been barely explored in relation to active labour market policies.

The theoretical framework

The research questions which were outlined in the previous section can be embedded in a general theoretical framework (see Figure 1), the goal of which is to explain the preferences for (activating) labour market policies in six western European countries, namely Denmark, France, Germany, Italy, Switzerland and the UK, at the apex of the economic crisis in autumn 2010. To analyse the nature of the labour market policy conflict in the political elite and the public acceptance of specific measures, the institutional settings in which these contests develop will be described in a first step (Step 1, Figure1). Details about the welfare state and the labour market regime legacies are of pivotal importance in understanding why politicians debate and implement specific policies. In fact, before introducing particular (activation) measures, they can be expected to carefully evaluate the institutional constraints and opportunities and choose those instruments which address their country-specific challenges best. As we will see in more detail, in Switzerland and Denmark at the time of data collection the main problem was the lack of highly skilled workers and of suboptimal training schemes, whereas in France, Germany and Italy politicians were urged to address the consequences of increasing labour market dualisation (Palier and Thelen 2010; Emmenegger et al. 2012), which manifested itself in terms of precarious employment relations and unprecedented unemployment levels (see Chapter 2). The information about the country-specific problem pressure was captured not only by means of objective indicators, such as the level of unemployment, but also by means of an attentive study of the public debates in these countries. In fact, the media coverage about *functional equivalent* issues linked to unemployment could be expected to suggest which problems were not only objectively salient but also perceived as such. The theoretical ground allowing for the development of hypotheses about the effect

of regime-specific legacies, policy frames and problem pressures is laid out in the first two chapters of the present thesis, where the countries' institutions and the media debates are presented.

Figure 1: The theoretical framework



The second step of my analyses focuses on *political agency* (Step **2**, Figure 1). I analyse how parties, interest groups (employers' organisations, unions and social movement organisations (SMOs)), state bodies and administrations evaluate labour market instruments. In particular, I investigate the nature of the political conflict in the three labour market regimes introduced in chapters 1 and 2. Thereby, I show that the conflict within the national political elites is pre-structured by the institutional legacies and by the actual public debates. These results show that, in order to fully understand the nature of political conflict and to individuate the issues which structure the policy-specific space in terms of salience and/or potential for polarisation, knowledge about the labour market context is essential.

Since the political conflict structure and the actor constellation are two sides of the same coin, I also analyse the coalitions that are specific to the policy field. In fact, the actors' shared understanding of

labour market priorities and issue saliency determine the axes of political conflict. Contemporaneously, these preferences are the base on which actor coalitions are forged. Moreover, I compare the coalitions in order to investigate whether actors belonging to the same party family do actually prefer similar policy solutions in the different regimes and whether they choose the same coalition partners.

After analysing the institutional context, the nature of the political conflict and the political coalitions in the domain of labour market policy, I turn my attention to the demand side of politics. The final part of my dissertation (Step **3**, Figure 1) focuses on public attitudes and exploring which variables and mechanisms determine preferences for specific (activation) policies. In particular, I am interested in analysing whether – similarly to the elites – citizens' preferences are structured on more than one dimension too, or whether the left–right dichotomy still does justice to their perception of labour market policy options.

In sum, the aim of the present thesis is to shed light on the *multidimensionality* of activation policies and – as a kind of "variation on the theme" – to analyse (active) labour market policies and their implications form both the elite and the citizens' perspectives at the apex of the economic crisis around 2010 in six western European countries.

Part I: Exploring elites' preferences and coalition structures in the domain of labour market policy

This thesis is divided in two parts: the first part is based on a project in which the author and her colleagues [2] collected elite interview data on labour market policy in Denmark, France, Germany, Italy, Switzerland and the UK at the apex of the economic crisis between autumn 2010 and spring 2011 (Kriesi et al. 2013). To learn more about labour market policy preferences, political communication and framing strategies in this policy area, we conducted two interviews with between 15 and 25 political actors in each country. The main exponents of labour market policy decision-making – i.e. unions, employers' organisations, parties, governments, state bodies and administration and SMOs – were included in the analyses.

In the first chapter the policy legacies (i.e. the most important formal and informal institutional settings, the problem pressures, as well as the public debates which characterise the labour market policy area) are introduced. First, we describe the challenges which the welfare states are forced to face in times of tertiarised labour markets and in particular in the context of the current economic crisis. Then, we present the institutional foundations and discuss the political arenas, i.e. the administrative and the parliamentary, as well as the policy networks where the decision-making takes place. We describe the policy legacies, in particular the democratic regime types and the Variety of Capitalism (VoC) classifications with respect to the six western European countries included in our study. Since each country is characterised by a complex interplay of institutional labour market settings which can hardly

[2] The team was composed by Prof. Hanspeter Kriesi, Dr. Laurent Bernhard and Prof. Dr. Regula Hänggli. The first three chapters of this dissertation are part of a joint book project which is based on our research.

be captured by means of a single typology, we compile a short description of each country's particularities in terms of policy legacy profile (Chapter 1).

This theoretical outline allows us to group the countries included in our study in three clusters. We classify Denmark and Switzerland as *flexicurity* countries basing on the theory of Katzenstein (1985), who as far back as 1985 described these countries as belong to the prototype of successful, small and open economies. These countries share characteristics such as highly flexible and internationalised jobmarkets with low job security, low problem pressure, rather generous unemployment compensation schemes and extensive efforts in active labour market policy. However, the decision to incorporate them in the same theoretical category is debatable because their activation policy approach differs. The discrepancy concerns their activation profile. Whereas Denmark can be characterised as *active* flexicurity, Switzerland still focuses somewhat more on passive benefits and has a more liberal ideological legacy,[3] thus being defined as *passively* flexicure.

In line with the scholarly literature we classify Germany, France and Italy as *dualising* countries (Palier 2012; Emmenegger et al. 2012; Palier and Thelen 2010). These are characterised by the existence of two[4] parallel labour markets, which developed as a consequence of institutional legacies and in particular the "male breadwinner model". Traditional role allocations and institutional mechanisms of social status preservation lead to low female labour market participation and strong job-security regulations to protect workers from losing their jobs. With the change from industrial to post-industrial societies this model proved inadequate and politicians started to introduce reforms to modernise these "frozen" labour markets (Esping-Andersen 1990). However, in these countries the flexibilisation of the labour market took place only at the margins and created a dichotomy between people working in

[3] See Figure 3 in chapter 1.

[4] I refer to the two official labour markets and, eventually, to the black market as an important third job provider.

highly protected jobs and a group of precarious employees working in part-time, fixed-term and other atypical contracts (Berton, Richiardi, Sacchi 2009; Palier and Thelen 2010; Palier 2010 Emmenegger et al. 2012, Häusermann and Schwander 2013; Häusermann 2010). Even though France, Germany and Italy share similar institutional legacies, however, the "varieties of activation literature" suggests that they are advancing on different reform trajectories (cf. Thelen 2012). Whereas Germany, with the implementation of the Hartz IV reform, seems to be drifting away from a continental unemployment regime and heading towards a more liberal scheme (Fleckenstein 2008; Seeleib-Kaiser and Fleckenstein 2007), France pursues an "integrative" dualisation implementing "occupational" activation policies (Bonoli 2010), which aim primarily at retaining the workers in the labour market (Palier 2010; compare Barbier and Ludwig-Mayerhofer 2004; Barbier and Fargion 2004). Moreover, Italy (up to the present) seems not to have a distinct activation strategy. Thus, Italy inevitably presents the most challenging institutional settings for comparative research, in this particular case because the unemployment scheme is underdeveloped and fragmented (Picot 2009; Jessoula and Alti 2010; Jessoula and Graziano 2010; Jessoula and Vesan 2011). Finally, the UK as a liberal labour market and welfare regime, i.e. with week and need-based protection against labour market risks, is characterised by the implementation of mainly work-first activation strategies (Barbier and Ludwig-Mayerhofer 2004; Clasen 2011; Clasen and Clegg 2011; Lødemel and Trickey 2001).

In the second chapter we complement the description of the institutional settings with an analysis of the media debates that developed in the six countries in autumn 2010. We describe the labour market issues that were raised in the public sphere and were particularly controversial or salient. The empirical findings show that the actual debates are strongly related to both the *labour market legacies* and to the nature and level of *problem pressure* in the different countries. Whereas in the flexicurity regime, labour market policy was treated as a marginal issue in the press, in countries such as Italy or the UK, where unemployment figures had increased dramatically due to the economic crisis, the public debate was

more virulent. In more detail, the Danish public debate evolved foremost around the question of whether specific training schemes for the unemployed should be improved. In Germany, discussions about detailed amendments to the Hartz IV scheme concerning the question of whether to increase the benefits by 8 euros were launched as a consequence of a constitutional court's decision. The press in the UK focused on the adoption of the budget proposed by the novel government coalition, on the youth protests and on the preparation for a structural welfare and labour market reform (Universal Credit). In Switzerland, thanks to the low unemployment rates, public attention mainly focused on comparing Swiss labour market developments to those in the Eurozone. Finally, in France a debate arose as a consequence of a unilaterally implemented pension reform. This controversy was rather loosely related to unemployment policies, except for the discussion of whether older workers should retire and thus be substituted by the young unemployed. Hence, France witnessed a discussion about intergenerational solidarity and the "contract of generations". Interestingly, today, three years after we conducted the elite surveys, this "intergenerational solidarity" frame re-appeared in the media in reaction to the reforms to fight youth unemployment proposed by President Hollande. His plans include a framework in which older workers act as mentors for newly appointed young employees and monthly subventions are guaranteed to firms taking over this model of intergenerational solidarity. This particular recurrence of comparable framing strategies invites further research.

The function of the first two chapters is hence to introduce the case selection and lay the theoretical groundwork for the third chapter, which deals with the issue-specific political space(s) and its actor constellations. In more detail, I analyse how the *conflict structures* are related to political coalitions and whether, as previously argued for other policy fields, the labour market policy space pluralises in reaction to novel social needs (Häusermann 2010; Bonoli 2006; Bonoli and Natali 2012). Whereas, traditionally, labour market policy is considered to entail only an *economic* conflict dimension opposing preferences for state intervention and a laissez-faire market, my results suggest that a second regime-

specific (pro/contra) *activation* dimension exists. The findings indicate that, depending on the labour market regime, different activation strategies are salient and hence determine the elites' preference structure. In a next step, I then analyse how the objective political actors' coalitions, which in line with Ossipow (1994) I define in terms of common preferences, are located in the two-dimensional policy space (Sabatier and Weible 2007). Contrary to the expectations, instead of a modern left which represents the interests of labour market outsiders, a traditional left representing the insiders, a third-way and a right coalition I found that, in the flexicurity and dualising countries, the left is not split into two separate coalitions. Rather, left-oriented actors are rather homogeneous in their preferences on the state/market dimension but differ widely in their views about activation policy. My results suggest that is not possible to draw a clean distinction between actors representing the labour market insider and those representing the outsider as was proposed by Rueda in 2007. In addition to this single and very heterogeneous left coalition, I identify a centrist, a third-way and a conservative coalition. Finally, in the liberal welfare state only three coalitions (left, centre, right) could be distinguished. Interestingly, also in the UK the left coalition is not only rather heterogeneous on the activation front but also on the state/market axis, whereas the centrist and right coalitions are more homogenous on both dimensions.

Furthermore, the results show that actors which belong to the same "party family" do not necessarily figure in the same coalition in the different regimes. This finding suggests that, depending on the institutional "starting point" and the nature of the problem pressure, similar ideological orientations may lead to preferences for different (activation) policy strategies. In other words, left policy-making can (and maybe should) not consist of implementing exactly the same measures in all countries independently of the social reality. Given this perspective, it could be helpful to go beyond simplifying classifications into "left" or "right" policy solutions and pay more attention to the meaning of specific policies in a particular (national) context and its (unintended) interaction with the institutional framework. As I will argue more in detail in the conclusion when comparing policies, I think it is helpful

and interesting to analyse functionally equivalent policy instruments and framings in order to understand national peculiarities[5] better. I therefore fully agree with Thelen (2012), who argued that the next steps in analysing welfare reforms should focus on "trajectories" over time and hence also on the institutional *developments* rather than on cross-sectional analyses.

In sum the analyses in the first three chapters suggest that the conflict about labour market policy is no longer reducible to a simplistic left versus right dimension. Rather, I argue that with the advent of novel social needs (Bonoli 2006) and the attempt to address these by means of especially activating reform strategies the political choice has become more complex (cf. Häusermann 2010). In fact, the pivotal and to some extent unresolved issue nowadays is to re-allocate the available money among the new and old groups of claimants and at the same time adapt labour market strategies to the challenges of the service economy (Bonoli and Natali 2011).

Part II: Exploring public attitudes towards (active) labour market policies

In the second part of my dissertation I change perspective and focus on *public attitudes* towards the labour market and in particular to activation policies. Analysing these preferences is not only interesting

[5] For instance, when comparing its size to the ones of other European countries the Italian pension system is over endowed. However, when considering that this system is a functional equivalent to social assistance because retired (male breadwinners) are able to redistribute their pension to the needy unemployed or family members with children this policy scheme has completely different implications. Accordingly, it should not be compared merely to pension schemes but to some extent also to social assistance in other European countries. This of course makes comparison more difficult but it also gives a more realistic and detailed picture of the Italian welfare policy.

because it has been hardly investigated before but also because it could provide useful information on how politicians could frame labour market reforms more effectively. Page and Shapiro (1992) have already shown that the political elites are aware of popular preferences and adapt their policy strategy accordingly. Hence, whenever a politician is able to frame reforms in ways that resonates with socially embedded values and/or is able to trigger self-interest motives, they might be able to actually influence public debates and voting behaviour. Thus, even if my research focus moves away from the political elite, its results can be read in terms of how politicians might accommodate public requests or influence these to reach their goals better.

The models presented in chapters 4 and 5 rely on an online survey dataset which was collected by the NCCR-Module 4[6] during autumn and winter 2010. This data offers an extraordinarily interesting framework within which to analyse preferences for diverse labour market policies in great detail, and allows for precise and manifold operationalisations of self-interest in terms of objective, subjective and indirect unemployment risk.

Along the lines of traditional welfare state attitude research I first explore which individual-level variables explain preferences for *generous* labour market policies (Hasenfeld and Rafferty 1989; Blekesaune and Quadagno 2003; Fraile and Ferrer 2005). I test whether the traditional theories arguing that either values or self-interest determine public attitudes towards welfare generosity are still suitable for capturing the nature of individual decision-making processes. In other words, I connect to the current debate on the determinants of labour market preferences which analyse whether it is the unemployment risk (i.e. self-interest) or party preferences (i.e. value-based decision-making) that shape

[6] In Module 4 of the NCCR-Democracy, Prof. Hanspeter Kriesi, Dr. Laurent Bernhard, Prof. Regula Hänngli and the author (Project 11) collaborated with the Project 12 team of Prof. Gabriele Siegert, Isabelle Krebs and Loris Russi, with the Project 13 team of Prof. Werner Wirth, Dr. Christian Schemer, Martin Wettstein and Rinaldo Kühne, and with Prof. Jörg Matthes (Project 14).

public attitudes (Rehm 2011; Margalit 2013). My results show that value-based explanations seem to prevail.

As proposed by Hasenfeld and Rafferty (1989), I argue that self-interest and value orientations are interconnected and that a mere theorisation of the direct effects of values and self-interest on attitudes is likely to fall short of recognising how values and self-interest might interact. The findings presented in Chapter 4 suggest that self-interest exerts both *direct and indirect* effects on preferences for generous labour market policies. In other words, objective self-interest measures lose part of their explanatory power once controls for values are introduced. The conclusion I draw from these analyses is that respondents may exploit value-based argumentations as socially acceptable legitimisations of rational self-interest. Apparently, two diametrically opposite logics seem to steer our decisions – a result which probably annoys both economists and sociologists equally. These results, however, invite more analyses on how objective and subjective self-interest and values are related to each other and interact to influence public attitudes.

In the final chapter I explore what kinds of factor determine the preferences for different *types* of activation strategies. The aim of these analyses is to gain information about which measures are perceived as legitimate by whom. In fact, to some extent we still lack a satisfactory answer to the question of whether particular social groups or constituencies endorse specific activation policies. These results could contribute to the dualisation debate and provide insights into whether unemployed people actually have different policy preferences due to their labour market (outsider) status or whether support for active or passive measures has other causes.

Basing on the "variety of activation" (Bonoli 2010) and the social rights literature (Handler 2003; see also Clasen and Clegg 2011), I propose a typology of labour market policies where respondents face three basic choices. First, and along with the traditional conceptualisations of welfare state theory,

citizens can support either *increasing* or *decreasing* welfare state effort. Second, they may endorse *conditional* or *non-conditional* measures and third, they have the choice between *human-capital activation*, *work-first policies* and *passive labour market instruments*.

The different nature of these decisions suggests that, also on the demand side of labour market policy, the conflict is no longer structured on a single dimension. Rather, voters face multiple choices and some of them include preferences on issues which can be attributed to the economic (generosity) axis and some to questions which seem to pertain rather to an libertarian-authoritarian dimension (conditionality and sanctions) (Kitschelt 1994; Kriesi et al. 2006 and 2008). Activation reforms entail a "cultural" dimension, especially with respect to those policies which propose alternatives between voluntary and compulsory participation, self-reliance or sanctioning mechanisms, or positive and negative incentives.

The empirical results show that preferences for generosity/retrenchment and (non-)conditionality can be explained well by individual value orientations. Whereas egalitarian preferences explain the endorsement of generous labour market policies, the deservingness perceptions of the unemployed capture whether conditional or non-conditional measures are endorsed.

In the last analyses presented in Chapter 5, I expand the explanatory framework and introduce socio-tropic evaluations as explanatory variables for individual attitudes. Starting from the assumption that the labour market context also influences individual preference formation, I also include socio-tropic evaluations of the job market situation. The findings disclose some interesting insights and show that context evaluations interact with self-interest and with deservingness perceptions. I find that preferences for increasing human-capital activation are more pronounced for people with high levels of self-interest and who evaluate the development of the national labour market negatively than for people with high levels of self-interest and who think the economy developed for the better. Similarly,

people who believe that the unemployed deserve welfare support and think the state of the economy deteriorated are more likely to disapprove of increasing conditionality than those who judge the unemployed as non-deserving and think that development the development of the economy negative. These significant and substantial interaction terms underpin my argument that the relationships between self-interest, values and socio-tropic evaluations are more complex than acknowledged in the literature. In fact, the higher the unemployment risk (or self-interest), the less values affect preferences.

In a nutshell, in chapters 4 and 5 I am able to show that when studying public attitudes towards activation policies in particular, it is interesting to focus not only on self-interest or value-based explanations but to take a step back and inquire whether and how these phenomena are interrelated in the first place. Moreover, as the analyses of activation preferences show, not only are the elites aware of the complexity and the "pluralisation" of the labour market conflict but voters too are able to discern the different principles characterising this policy domain.

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PART I

CHAPTER 1

The contexts of the national debates

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Introduction: the national macro-context and the policy-specific context

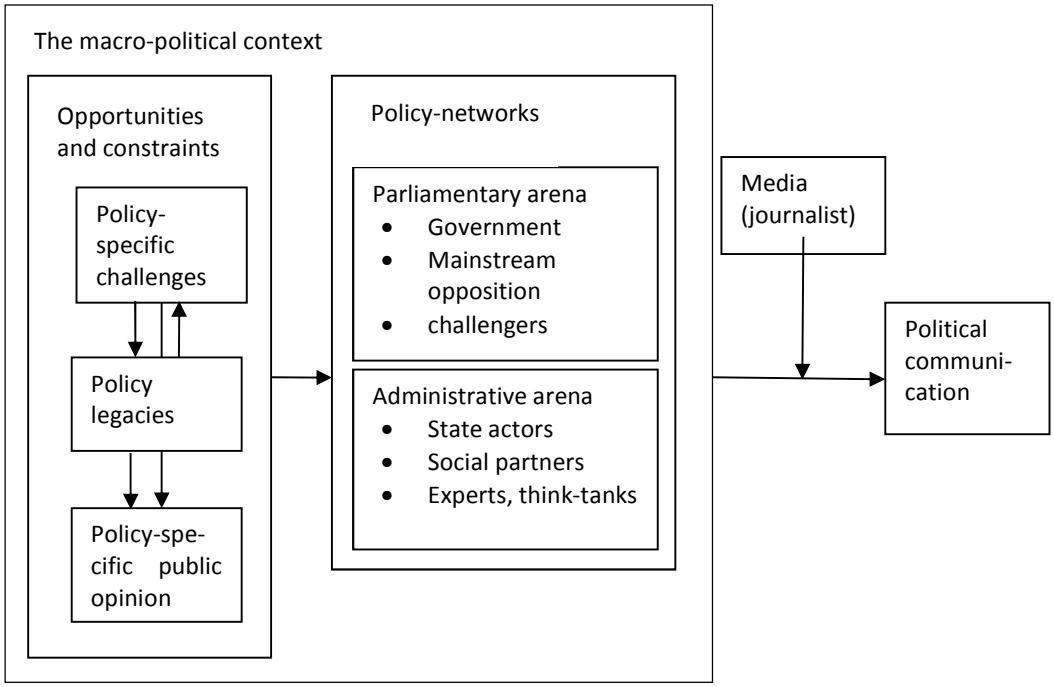
Public debates are embedded in a specific political context, which determines to a large extent the configuration of the actors involved, their communication repertoire and the opportunities and constraints of their respective communication strategies, i.e. the chances of their success. Public debates and their possible outcomes are highly pre-structured by the institutional setting (including the media system), by the 'discursive opportunity structure' (Koopmans and Statham 1999), by the characteristics of the issues at stake, and by the short-term events (exogenous shocks) intervening during the debate.

Most immediately, the context determines the configuration of actors, who get involved in the debate, their goals and the distribution of resources among them. In an electoral campaign, for example, political parties are the key actors, which is not necessarily the case in a direct-democratic campaign, where the field of participants is much larger and where interest associations and NGO's may play the key part. In unconventional campaigns, such as campaigns organized by social movement organizations, the protagonists are likely to be different once again. In addition to the movement organizations, their allies in the political system and the media, they may also include the police, counter-movements, and bystanders. In the 'ordinary politics' of public debates, which are our focus here, the set of actors involved may be very large, but variable according to the arena, in which the debate takes place. The configuration of actors is not just an assembly of individual or organizational actors. The actors involved in a campaign or public debate form coalitions, and it is typically these coalitions who craft and communicate the relevant messages (frames) with the purpose of activating, mobilizing and persuading

the public. The ultimate goal of these coalitions is not only to get the attention of the media and the general public, but to mobilize the public's support for their cause.

This chapter is devoted to the comparative discussion of the political context of the political communication by key actors in the labour-market policy domain. The media systems of the six countries will be discussed in the next chapter. For our purposes, it is important to keep in mind that the public debate we study is an issue-specific debate. This means that the relevant context is an issue-specific one and that the actors involved in the debate constitute an issue-specific subsystem which is not coextensive with the national political system of which it constitutes a part. Figure 2 provides a rough summary of the way we conceive of the policy-specific context of a public debate.

Figure 2: The heuristic framework



As we have already pointed out in the previous chapter, policy-specific public debates in general and public debates in the domain of unemployment policy in particular are heavily influenced by a set of opportunities and constraints which refer to the policy-specific problem pressures, policy-legacies, and public opinions. According to our heuristic framework, in the final analysis, policy debates are driven by *problem pressures*. These challenges may be exogenous shocks such as the Great Recession, but they may also be shaped by the results of past policies (e.g. the widespread use of early retirement schemes to solve the unemployment problem in the past decades) that constrain the manoeuvring space of political actors at any given moment. *Policy legacies*, in turn, not only contribute to problem pressures, but they also shape the politicians' opportunities to deal with them. From the point of view of political communication, they are particularly important, because they also influence the frames that politicians are likely to use in crafting their messages. The policy-specific *public opinion* refers to the salience of the issue in the general public, as well as to the preferences of the public with respect to the various aspects of the debate. For political actors, the preferences of the public are difficult to modify. If they do change, it is largely as a result of some exogenous shock like the Great Recession rather than as a result of the communication strategies of any individual actor. What political actors may influence, however, is the salience of a particular issue or issue attribute. Given that issues always have many different aspects, the politicians may draw the public's attention to specific aspects of the issue in order to improve their chances of success in the public debate.

In addition to these exogenous opportunities and constraints, the political context, as we conceptualize it, also includes the actor-configurations in the relevant political arenas. As we have mentioned in the introduction, there are several such arenas which might be relevant for a given policy-domain in a given country. In our case, we consider only two arenas, however: the parliamentary arena and the administrative (or corporatist) arena. Had we chosen another period for our study, the direct-democratic arena might have been relevant in the Swiss case. During the period in question, however,

no direct-democratic vote took place in the Swiss unemployment policy, which is why we did not take this arena into systematic consideration here. The protest arena was important in several countries during the time of our study – especially in France and Italy, but we decided not to include it in the present analysis.

This chapter is divided into three sections. First, we discuss the two relevant political arenas. Next, we turn to a general discussion of the relevant policy-legacies, and finally we present the details of the country-specific labour-market policy legacies.

The relevant political arenas

The parliamentary arena

The parliamentary arena is characterized by the institutions of the country-specific regime of representative democratic and the current configuration of the party system. With respect to the former, following Lijphart (1999), we introduce the distinction between consensus and majoritarian democracies. As is well known, *consensus democracies* tend to divide power among a large number of actors, while *majoritarian democracies* tend to concentrate it in the hands of a few actors. In institutional terms, consensus democracies are typically characterized by a combination of parliamentary regimes with PR electoral systems. By contrast, majoritarian democracies can be either parliamentary regimes with majoritarian electoral systems, or (semi-)presidential regimes. Three of our countries are rather typical consensus democracies – Denmark, Switzerland and (unique among large countries) Germany, while the other three countries represent rather more majoritarian democracies – UK, France, and Italy. The Italian case, it may be argued, is somewhat mixed, but more recently the

Italian system has taken on some strong majoritarian characteristics (Bardi 2007, Bartolini et al. 2004, Kriesi and Bochsler 2013). In terms of the classic distinction of democratic regime types, it is important to keep in mind that France has a semi-presidential system that focuses public attention on the president; Denmark, Germany, Italy and the UK are parliamentary systems that focus attention on the cabinet and the Prime Minister (the Chancellor) in particular, while Switzerland's hybrid directorial system is least likely to personalize the public debate (Kriesi 2011).

With respect to the configuration of the party system during the period covered by our study, it is important to note that all countries, except Switzerland, were governed by a centre-right coalition government, while the left was in the opposition everywhere. One could argue that even in Switzerland where the left has been part of a grand coalition since 1959, the left has always been in a minority position in social policy in general and in labour-market policy in particular, which has always induced it to take an oppositional stance in these policy domains.

As pointed out by Häusermann et al. (2013), the traditional partisan politics literature on the welfare state has seen political parties as the key actors in socio-economic policy-making. Studies in the tradition of power resource theory have shown that left-wing parties were a driving force of welfare state expansion. Many studies indeed do still find such an effect, but the explanatory power of the 'left party variable' has become weaker (Bradley et al. 2003, Huber and Stephens 2001). This weakening is seen as evidence that parties matter less, and that their programmatic differences are increasingly constrained by exogenous forces, such as demographic pressures and policy legacies. According to Häusermann et al. (2013: 234), traditional partisan theory applies under three conditions: programmatic electoral linkages, an industrial social structure and bipolar party systems. Given the deindustrialization and tertiarization of the social structure, the related changes in the electoral constituencies, as well as the changing dynamics of the party systems, at least the second and third conditions are no longer fulfilled

as a matter of course. They are still most likely to apply to majoritarian party systems such as the British one, which offer clear choices for social and economic policies and whose electoral constituencies are still primarily divided by the traditional class cleavage. By contrast, in countries with a divided left (between socialists and communists), such as France or Italy (and to some extent Germany), the ideological polarization that goes along with it has to be taken into account as well. And in countries, where a new cultural cleavage has come to divide the right (between the mainstream centre-right and the new radical populist right), such as Denmark, and Switzerland, we also need to take into account the possibility that non-economic, cultural motivations (e.g. concerning immigrants) are introduced into labour-market policies.

The administrative arena

The administrative arena is characterized by the configuration which obtains between the social partners – business and labour unions – and the state actors (government and public administration). In addition, experts and think-tanks have to be taken into account as well. In the labour-market policy domain, the *labour unions* are of particular interest, because their organizational structure and strength have traditionally been considered to be of key importance for understanding the coordination capacity of policy-making. As the literature on corporatism has consistently argued, the structure of the union movement is a precondition for its capacity to deliver in cooperative policy arrangements ('corporatist policy networks') between the social partners and the state (see Schmitter and Lehmbruch 1979, Katzenstein 1985). The more centralized the union movement, the better it was able to contribute to successful corporatist concertation. Highly centralized and concentrated union movements such as the Scandinavian ones have traditionally been best prepared for stable corporatist policy-making, while

more fragmented union movements in countries of continental and Southern Europe tended to be at best able to participate in sector-specific or temporary corporatist agreements. The pluralist union movements in anglo-saxon countries have not succeeded in participating in concerted actions at all. For our six countries, Table 1 presents the development of the labour unions' strength over time, measured by their organizational density.

Table 1: The strength of labour unions – organisational density

Country	1985	1995	2000	2006
Denmark	78.3	77.0	87.5	69.4
Italy	47.6	38.5	35.4	33.4
UK	45.5	32.2	29.0	29.0
Germany	35.3	29.1	28.7	20.7
Switzerland	28.8	23.6	23.0	19.0
France	14.5	10.3	9.1	8.0

Political economists have come to replace the traditional distinction between pluralist and corporatist policy arrangements by the influential framework proposed by Hall and Soskice (2001). Compared to the traditional distinction between corporatist and pluralist countries, the ‚varieties of capitalism' (VoC) approach is more focused on business corporations and concentrates on the question of how business corporations coordinate themselves strategically under the given institutional conditions. This framework distinguishes between *liberal market economies* (LMEs) and *coordinated market economies* (CMEs), which differ not only with

respect to their production systems (corporate governance), but also with respect to their institutional regulation structures (regulation of the labour market, of vocational training (‚skill regulation'), and of the financial markets). The relevant institutional structures allow the economic actors to coordinate themselves in such a way that a stable equilibrium develops, which guarantees all participants important benefits. The key difference between the two systems is whether employers are capable of strategic coordination among themselves and with labour in order to achieve joint gains through cooperation (CMEs) or not (LMEs) (Hall and Soskice 2001: 8). In LMEs, coordination takes place through the market, and not through political negotiations between the social partners (and the state). According to Hall and Soskice's functionalist argument, none of these systems is better than the other. Both seem to develop a stable equilibrium capable of governing the economy in a satisfactory way. The UK represents the typical liberal market economy, while Denmark, Germany and Switzerland represent the typical coordinated market economies.

As Schmidt (2009) argues, there is a third variety – *state-led market economies* (SMEs), which includes France and Italy. In these countries, the state, for better or worse, plays a much more active and directive role in the political economy than in the ideal-typical LMEs or CMEs. While France is the ideal-type of an SME, Italy (and Spain) represent more compound cases, where the state stepped in to help ensure greater business-labor coordination in a kind of macro-concertation between employers, unions and the governments.

Against the background of the past two decades of economic turmoil, the distinction between these varieties of capitalism has been called into question. A strong, structuralist argument has been made in favour of a convergence towards the LME model (Streeck 2009, Howell 2006, Glyn 2006). According to

this argument, under the onslaught of liberalization, the arrangements that used to distinguish the CMEs have eroded over the last twenty years in an imperceptible way. In line with convergence arguments, Hassel's (2013) recent review of the literature suggests that both labour market institutions and unionization rates explain increasingly less of varying national economic performance and wage inequality. The exception to this generally pessimistic conclusion with respect to the unions' role in policy-making refers to data suggesting that the strong Scandinavian union systems are better able to protect against rising inequality than the other, more fragmented systems. By contrast, the defenders of the VoC perspective see the divergent arrangements as relatively robust and resilient (Hall and Gingerich 2009). As Thelen (2012) points out, the two sides of the argument are not focusing on the same trends, however: while VoC scholars emphasize continued employer coordination in many (although not all) CMEs, convergence theorists point to general trends and pressures on the side of labour, including declining labour strength, declining coverage of collective agreements and, more generally, declining social solidarity.

Policy networks

The policy-specific subsystem spans the two arenas and includes the relevant political actors in the policy domain which may come from both, the parliamentary and the administrative arena. The policy-specific subsystem constitutes a policy network of actors specialized in the given policy domain (for the labour market example, see Knoke et al. 1996). It includes parliamentarians, members of government, public officials, lobbyists, experts, members of subnational governments, and journalists. The shape of a policy networks is determined by the configuration of actors in the parliamentary and administrative arenas, as well as by the relationship between the two.

The relationship between the two arenas varies as a function of the problem pressure to which the subsystem is exposed, and as a function of the characteristics of the specific issues which are on the agenda of the subsystem. First, in ordinary times of 'normal problem pressure', the subsystem is mainly made up of the policy-specific specialists, i.e. the administrative arena is likely to dominate. In extraordinary times, however, when the daily routine of the policy-subsystem breaks down, it is extended to include the most important national political actors (see True et al. 2007). In other words, the focus shifts to the government and to the parliamenttary arena – especially, but not only in majoritarian systems. Second, in labour-market policy in particular, there are specific issues which are reserved for treatment in the administrative domain. Thus, in most countries, industrial relations constitute the privileged domain for regulation by the social partners. In other words, depending on the problem pressure and the issue that dominates the labour-market policy agenda during a given period, the type of arena and of actors involved is likely to vary considerably from one country to the other.

Policy legacies

The domain-specific *policy legacy* is embodied in the institutions – formal and informal rules – that govern the policy domain in question and pre-structure the contemporary policy debate in decisive ways. For our purposes, the most general policy-specific context is provided by the national welfare state regimes. We shall first give a brief overview over these welfare regime and their more recent trajectories, before we shall introduce a typology for labour-market regimes in particular, and briefly present the labour market regimes of our six countries.

Welfare regimes

According to Esping-Anderson's (1990) seminal contribution, three different types of welfare state regimes can be defined – the social-democratic, corporatist and liberal regimes, each one of which is dominated by one of three key players: the market, the state or the family. The main criteria allowing to distinguish between the three regimes are differences in 'decommodification' (the extent to which individuals benefit from entitlements guaranteed by the state and do not have to rely on market forces) and 'stratification' (the extent to which benefits are linked to social status criteria).

The *social-democratic welfare state*, represented by Denmark in our country selection, is a generous, universalistic regime that provides social security to all, irrespective of gender, former employment status or nationality. This regime is characterized by comprehensive and generous benefits with low formal criteria for eligibility, which reduces the amount of social stratification. The state is the dominant player regulating social welfare in these countries. It provides the key social services, which implies a large amount of public employment. The *corporatist (conservative or Christian-democratic) regime* prevails in continental Europe and is represented by France, Germany and Switzerland[7]. This regime is based on the traditional family model with one (typically male) breadwinner. In this model, labour market 'insiders' profit from generous pensions, unemployment insurances or invalidity payments, while 'outsiders', people working part-time or with atypical contracts, often do not qualify for the social insurance funds and are badly protected against these traditional risks. The result is a highly stratified society which depends above all on the placement of the individual worker in the production

[7] The Swiss welfare state has proved notoriously difficult to classify in Esping-Andersen's threefold scheme (Kriesi and Trechsel 2008, Chapter 10). In spite of its strong liberal tradition, which led Esping-Andersen to put it into the category of the liberal regimes, we propose to classify it as a continental regime today.

regime. The liberal regime, which is represented by Great-Britain in our selection, is characterized by low benefits and eligibility criteria based on means-tests. The predominant logic is the market logic, which assumes that the individuals take care of themselves, relying on private insurances. The role of the state in such a society is reduced to guaranteeing a minimal safety net and the society is not being additionally stratified because of social policy interventions.

This threefold classification has been criticised by scholars such as Castles (1995) or Ferrera (1996), who argue that the welfare states in continental Europe are too diverse to be allocated to the same welfare state category. They thus suggest an additional fourth type, the Southern European regime – represented by Italy, which is characterized by a similarly high stratification as the continental welfare state system but is less generous and has even tougher eligibility criteria.

Welfare state regimes are, of course, a moving target. They change continuously, trying to adapt themselves to changing social structures and exogenous shocks. Thus, during the past decades, the overall trend has been one of liberalization, in the sense of 'expansion of market relations in areas that were reserved to collective political decision making', even in countries that traditionally did not have a liberal regime. However, as Thelen (2012) suggests, depending on the type of economy and welfare regime, we should distinguish between three different trajectories of liberalization: liberalization as deregulation, which is especially linked to LMEs like Great Britain, liberalization as dualization, which is above all associated with continental CMEs like Germany or France and even more pronounced in Southern-European countries like Italy, and liberalization as socially embedded flexibilization, which is typically most closely identified with the Scandinavian cases.

Deregulation involves an active (political) dismantling of coordinating capacities (institutions such as collective bargaining rights) on both sides of the class divide. Dualization does not directly attack institutions of collective regulation, but implies a differential spread of market forces. Traditional

arrangements for labour market insiders are preserved, while an unorganized and unregulated periphery of labour market outsiders is allowed to grow (Rueda 2007, Emmenegger et al. 2011). It often proceeds through a process of 'institutional drift'. Embedded flexibilization involves a combination of market-promoting labour market policies with social programs designed to ease the adaptation of weaker segments of society to changes in the market (flexicurity). The turn to flexicurity involves 'a transition from negotiated wage restraint in the context of a more or less unwavering government commitment to full employment, toward the management of activation and human capital development in the context of non-accomodating macroeconomic policies' (Thelen 2012).We shall build on Thelen's (2012) distinction between three trajectories of liberalization, since they have decisively shaped the labour-market policies of our countries.

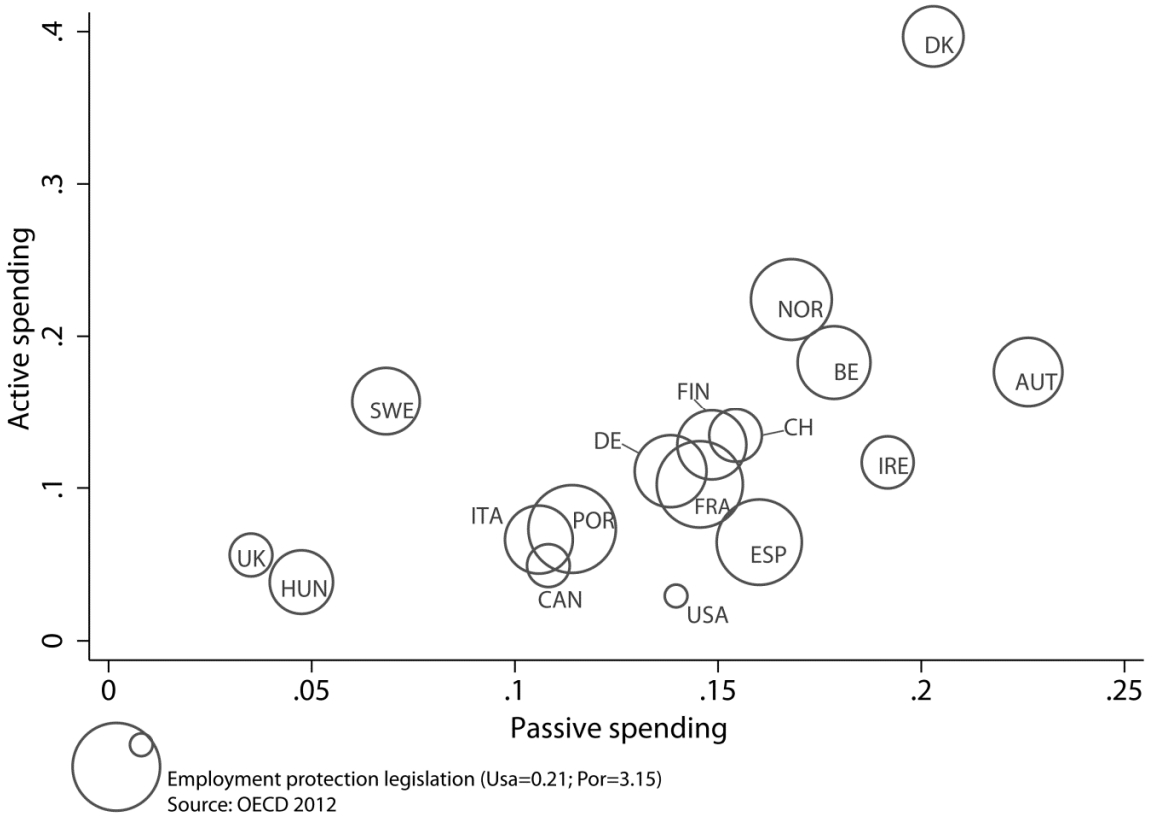
Labour-market regimes

Labour-market regimes can be characterized in two ways: by the unemployment regimes and by employment protection. As far as the former are concerned, Gallie and Paugam (2000: 4-5) developed a four-fold typology, which classifies the unemployment regimes of European countries according to three criteria. The first two criteria define the generosity of the unemployment insurance – the amount of coverage (unemployment benefits), and the level and duration of the coverage, while the third one refers to the overall share of active labour market policies (ALMPs). The four types identified by Gallie and Paugam are closely related to Esping-Andersen's (1990) typology of welfare state regimes. The first two types – the sub-protective regime (South-European countries) and the liberal or minimal regime (anglo-saxon countries) – are both characterized by a lack of generosity of the unemployment insurance ((very) incomplete coverage and (very) weak level of duration of coverage) and by non-existent or weak

active labour market policies. The third type – the employment centred regime (continental Europe) – is characterized by variable and unequal unemployment benefits and extensive active labour market policies, while the fourth type corresponds to the Nordic, universalistic countries with comprehensive, generous unemployment benefits and very extensive active labour market policies. Adding *employment protection*, we can clearly distinguish between the sub-protective, Southern European and the liberal, anglo-saxon regime types: the former has typically strong employment protection for (parts of) the labour force, while the latter has only very limited employment protection legislation.

Combining all three characteristics – generosity of unemployment benefits, extensiveness of active labour market policies, and employment protection – we obtain a more complex characterization of the labour market regime of a given country. Figure 3 presents the distribution of the OECD countries for which we have complete information on all three criteria for 2008, i.e. the year of the onset of the financial and economic crisis and the accompanying aggravation of the labour market situation in our six countries. The horizontal axis in this figure corresponds to the generosity of the unemployment insurance. It is measured by the public expenditures for passive labour market policies (as a share of GDP), divided by the unemployment rate. Not included are expenditures for early retirement. We divide the expenditures by the share of unemployed to control for the large differences in unemployment levels between the various countries. The vertical axis in the figure corresponds to the active labour market policy effort. It is measured analogously by the public expenditures for active labour market policies (as a share of GDP), divided by the unemployment rate. The level of employment protection is indicated by the size of the circle for each country: the larger the circle, the more elaborate the employment protection in the corresponding country.

Figure 3: Employment protection legislation and government expenditure for active and passive labour market policy (figures for 2008)



Two of our six countries clearly stick out in Figure 3**:** Employment protection legislation and government expenditure for active and passive labour market policy (figures for 2008). At the one extreme, we find Denmark, which combines a generous unemployment insurance with an extensive effort in active labour market policy and a rather limited employment protection. This is the country, which comes closest to the ideal type of '*flexicurity*', the combination of a flexible employment regime with a heavy investment of the state in the active labour market policy and generous social protection. At the other extreme, there is the UK with the ideal typical *liberal regime* that combines a flexible employment regime with a spartan unemployment insurance and a weak financial effort in active labour market policies. Hungary comes close to this ideal type as well, except for the fact that its employment

protection is somewhat more elaborate. As the figure confirms, the Southern European and anglo-saxon countries generally make only a limited financial effort in active labour market policies. In between the extremes on the vertical axis, we find the continental European and the other Scandinavian countries whose expenditures for active labour market policies are more extensive, but which differ considerably among themselves with respect to the other two criteria.

According to Clasen and Clegg (2011), today, the common quest in labour market policies is for policies that can help enforce flexible labour relations, and encourage service sector expansion. They see a general process of institutional change at work, which they call a process of *'triple integration'*. This process includes unemployment benefit standardization (which involves substituting earnings related benefits with flat-rate payments), risk re-categorization (which involves standardization of benefit levels across working-age risk categories (unemployed, handicapped etc.), the abolition of certain benefit schemes and the introduction of conditionalities for receiving benefits), and the generalization of activation measures. As the contributions to their volume show, the UK, Denmark and Germany moved most clearly in the direction of 'triple integration', while France and Italy made only modest steps in this direction and Switzerland hardly moved at all (partly it even displays opposite trends).

More recently, policy-makers have paid particular importance to *activation policies*. Since 2000, the major objective of social security changed from passive compensation of social risks to setting individual behavioral incentives for both employers and benefit claimants to achieve labour market integration (Hemerijck and Eichhorst 2010: 321). However, while all countries have introduced activation measures, their characteristics vary considerably from one country to the other. Discussions of active labour-market policies in the literature tend to focus on the role played by sanctions in the re-integrative process – so called 'work-first' policies (Lødemel Trickey 2001; Lødemel 2004; Barbier and Ludwig-Mayerhofer 2004), on the need to provide the unemployed with additional skills, and on the stimulation

of labour-market re-entry (Daguerre 2007; Bonoli 2010, 2012). Building on these discussions, we propose a four-fold typology of active labour market policies that combines the distinction between an emphasis on sanctions (the liberal approach) vs. an emphasis on rights (the universalistic approach) with the distinction between work-based vs. skill-based approaches (see *Table 2.2*).

Table 2: Typology of active labour market policies

Priorisation of	**Sanctions/ conditionality**	**Rights/ voluntarism**
Work	Work-first approach (UK/D/I)	Integrative approach (F)
Skills	Parternalist approach (DK)	Human capital approach (CH)

In the first ideal type, the *"work-first" approach*, the underlying idea is that the unemployed are individually responsible for losing their jobs. According to this approach, without sanctions people would not find their way back into employment. In addition, the state puts a specific focus on reducing public expenditures at any cost. The UK, Italy and Germany come close to this kind of approach. In the second type, the *"integrative" approach*, special attention is devoted to re-integrating people into work on a voluntary basis, framing integration positively. This type is represented by France. The third and fourth ideal-types prioritize 'skills' rather than work in fighting against unemployment. According to these approaches, re-integration can only be reached with the development and acquisition of additional skills. The understanding of the best kind of skill formation differs slightly between the two types, however: in countries such as Switzerland, skill formation is broadly understood in *'universalistic'* terms, while in countries with a more *'paternalistic'* approach like Denmark, the state decides which kind of skill formation is best for unemployed persons and also tries to adapt training programmes to the specific needs of the labour market. Finally, the difference between these two approaches is based

on the extent to which the state takes the initiative and actively forces people into (specific) educational activities.

The country-specific labour-market policy legacies

We begin our presentation of the country-specific labour-market policies with Denmark, the paradigmatic example of flexicurity, and Switzerland, a case of 'passive flexicurity', then turn to the dualization countries, and end with the paradigmatic example of the liberal deregulation trajectory, the UK.

Denmark: active flexicurity

In its heydays, the Danish model rested on the combination of three elements: flexible labour markets, generous unemployment benefits and a strong emphasis on activation (Viebrock and Clasen 2009: 313-14): 'In a nutshell, the model promotes high occupational and geographical labour mobility via low employment protection, compensated by generous unemployment benefits and ambitious active labour market policies aimed at skill improvement and activetion of the unemployed'. Crucially, the concept of job security is replaced by employment security.

As Emmenegger (2010: 290) explains, the Danish road to flexicurity has not been the result of 'policy making by wise policy designers taking into account the country's firm structure or proposing a trade-off between labour market flexibility and job security'. The strategy's success does not explain its

origin. Rather than having been deliberately designed, the flexicurity model is, at least in part, 'the result of the interplay between power resources, societal pressure and reform capabilities during a critical juncture'. Thus, as Emmenegger tries to show by comparing the Danish case with Sweden, at the critical juncture in the late sixties/early seventies, the societal pressures for the introduction of strict job security regulations were not as strong in Denmark as they had been in Sweden, the Danish trade unions (mainly craft unions as compared to the Swedish industrial unions) were not powerful enough to give such legislation a decisive push, and the Danish Social Democratic minority government at the time was riddled by problems and conflicts, which decreased its reform capabilities.

If Denmark did not have strict job security legislation, it had also done relatively little in the field of active labour-market policy (ALMP) until, under the pressure of unemployment peaking at 10 per cent, the Social-democratic government elected in 1993 adopted a series of reforms that transformed the Danish system of unemployment compensation (Bonoli 2012: 196). The 1993 reforms were a major step towards the introduction of 'flexicurity'. In exchange for their agreement to reorient unemployment policy in the direction of activation, the social partners obtained important concessions, such as a key role in the implementation of labour market measures. The role of the social partners in this model has been pivotal. The liberal employment protection system with its relatively easy hiring and firing of workers became acceptable for trade unions thanks to a generous unemployment insurance, and vice versa for employers. Subsequent reforms (1998) further strengthened work incentives and employment assistance elements.

Eventually, in 2001, the Social-democrats lost power and for the next ten years – up to and beyond the period covered by our study, Denmark was governed by a centre-right coalition, supported by the radical populist right Danish People's party (PF). Against the combined resistance of the left and the unions, and aided by the exogenous shock of the financial crisis of 2008, this cohesive government

pushed through a series of far-reaching social reforms based on a program combining tax freezes (highly effective in limiting the growth of social expenditures), welfare chauvinism (targeted cuts for social assistance, immigrants and young unemployed), and anti-unionism (exclusion of social partners from the implementation of labour-market policy, and break-up of the Ghent-system of administrating unemployment insurance) (Rathgeb 2013). These reforms turned the 'flexicurity' model into something very different: according to some observers, the Danish regime took on many elements of a 'work-first' regime in which sanctions are at least as important as incentives (Joergensen and Schulze 2012), and which excludes the unions from both legislation and implementation. According to the analysis of Schneider and Paunescu (2012: 740), by 2005, Denmark had moved all the way to become an LME.

Switzerland: passive flexicurity

As we have observed in Chapter 1, Swiss unemployment has never reached the levels of the surrounding countries in Western Europe, even if it has increased in the 1990s and again in the Great Recession of 2008. Bonoli and Mach (2001) highlight the original combination of different policy elements, which seems to be particularly conducive to favorable labor market performance: On the one hand, like anglo-saxon countries, Switzerland has a liberal and flexible labor market and a low tax wedge for low skill employment (i.e. a low difference between what the employee gets and what the employer pays for one's work), which favors employment creation in the low skill service sectors. As explained by Emmenegger (2010a), this is a result of the weakness of the Swiss federal government that was unable to impose its will on the employers' associations and either abandoned or diluted reforms of labour law. On the other hand, contrary to anglo-saxon countries, generous unemployment benefits with tight

entitlement conditions, sector-specific industrial relations, embedded in sectoral social partnership institutions, and an efficient vocational training systems, combine to provide high skilled workers with sector-specific skills, which are much in demand in the Swiss labor market.

The unemployment insurance is a typical example of the late development of the Swiss welfare state. Until the implementation of a fundamental reform in 1984, there was no compulsory unemployment insurance in Switzerland, and a large part of Swiss employees were not insured against unemployment. Under the pressure of changing macro-economic context conditions, the 1984 reform introduced a mandatory, generous insurance scheme for all employees that has been adapted several times – for the last time just before our observation period in fall 2010. The reform of 1995, which was adopted after a series of urgent decrees had adapted legislation to the dramatic increase in unemployment, was accompanied by measures incorporating concessions on the part of both social partners. On the one hand, in line with the demands of the business community, the reform reduced the duration for entitlements, which used to be unlimited, to a maximum of two years. On the other hand, the reform constituted a turning point from a rather passive labour market policy to an active one. In line with the demands of the left, active labour market policy measures were introduced for the first time. Moreover, the reform reinforced the financial basis of the insurance by increasing the contributions from 2 to 3 percent of salaries (1.5 percent each for employers and employees). An attempt to further reduce the benefits was defeated in a popular vote in 1997, indicating that one-sided measures of retrenchment have difficulties to pass the hurdle of the popular vote.

In Switzerland, the progressive extension of activation has, however, not been accompanied by greater benefit homogenization or policy coordination in line with the 'triple integration' model (Champion 2011). On the benefit side, reforms have above all aimed at tightening the access to unemployment and disability insurance benefits, but the benefit landscape has not been dramatically changed and the

distinction between assistance and insurance-benefit levels has remained largely intact. Finally, it is important to mention that the Swiss unemployment insurance scheme also grants compensations for *short-time work*. This instrument is aimed at avoiding layoffs in companies facing hard economic times allowing them to decrease the number of working hours. During the period of reduced activity, employees receive short-time money, which corresponds to a partial unemployment benefit. Employers, for their part, save labor costs without losing the know-how of their employees. The current regulation is rather generous, as short-time money attains 80 per cent of the regular wages during 24 months at most.

Germany: dualization as a result of Hartz IV and labour market reforms

As we have already pointed out, the German welfare state has been considered as an example of the conservative welfare regime, for which the preservation of social status and the achieved standard of living is central. With respect to the unemployment insurance, the Hartz IV legislation, introduced by the red-green governing coalition in 2005 as part of the Agenda 2010 reform package, marks a critical departure from the conservative welfare model towards more liberal models. This legislation restricted the idea of preserving the social status and the achieved living standard to the short-term unemployed (Seeleib-Kaiser and Fleckenstein 2006). The previously earnings-related unemployment benefits of unlimited duration were limited to 12 months (unemployment benefits I – Arbeitslosengeld I). After 12 months, the long-term unemployed only receive unemployment assistance (unemployment benefits II – Arbeitslosengeld II), which is no longer earnings-related and corresponds to the level of social assistance schemes (Second Book of the Code of Social Law - Sozialgesetzbuch Zweites Buch – SGB II). The former unemployment assistance was merged with the social assistance system, which constitutes a move

towards ‘benefit homogenization’ in terms of the ‘triple integration’ model. The fact that unemployment benefits II (rather than the unemployment insurance) covers the vast majority of jobless benefit claimants in Germany today is yet another sign of benefit homogenization (Dingledey 2011). Structurally, even more thorough changes have been introduced: unemployment benefits II have two components: a support benefit (359 Euros a month in 2010) for single adults plus supplements for other household members (paid for by the Federal Employment Agency (BfA)), and supplements for housing costs (paid for by the municipalities). The two parts are administered jointly by 356 newly created joint bodies of BfA and municipalities, which connect public employment services and municipal social assistance offices (Dingledey 2011).

As a consequence, the long-term unemployed “experienced severe benefit cuts and lost any legal status protection” (Fleckenstein 2008: 180), and the German welfare state moved “a significant distance towards an Anglo-American model of largely means-tested, flat rate jobless benefits” (Hassel and Williamson 2004: 13), ‘a system organized more around poverty reduction (with activation) rather than income/status maintenance for labor-market ‘outsiders’’ (Palier and Thelen 2010: 217).

Hartz IV not only integrated the unemployment insurance and social assistance, it also aimed at the activation of the traditionally passive German welfare state. It introduced two sets of measures: ‚positive activation‘, i.e. social investment measures (such as occupational training programmes) intended to improve the unemployed’s chances of finding work, as well as ‚negative activation, which combines a reduction of benefits with more restrictive criteria for acceptable work and a sanction regime that punishes non-conforming behaviour with benefit cuts, suspensions or loss of benefits altogether. Hartz IV combines the ‚enabling state‘ of positive activation with coercive measures of negative activation. However, spending on active measures has been scaled down significantly since the early 2000s (Dingledey 2010). Moreover, the implementation of the activation measures contributes to

the dualization of the labour market: recipients of unemployment benefits II get clearly less access to upskilling measures, and they are put under stronger pressure than recipients of unemployment benefits I to accept precarious jobs (Dingledey 2010: 22).

At the same time, labour market reforms institutionalized a secondary labour market in Germany. In particular, Germany saw an increase in so-called 'mini-jobs' that have flourished in the less unionized service sector and at the service of the core sectors. Mini-jobs refer to low-level, part-time work that is not fully covered by social insurance contributions (Palier and Thelen 2010: 209). Currently almost 20 percent of low-skill service sector jobs are mini-jobs. Government policies facilitating the expansion of such jobs stand in rather stark contrast to other policies, especially the short-time work program that protects jobs, benefits and skills in manufacturing. This program is, however, largely constrained to benefit the core industrial workers, while 'Germany's efforts in the area of active labour market policies for low-skill, hard-to-employ workers have been over the years far more uneven and lackluster' (Palier and Thelen 2010: 210).

France: integrative dualization

Just as in Denmark, it is impossible to point to one actor driving the labour market and welfare reforms in France (Palier 2010). All of these reforms were a reaction to past policy failures. They involved a large number of actors who, however, agreed to them for often very different reasons. Maybe most importantly, these changes were introduced at the margins (which facilitated their acceptance by major defenders of the core system) before being gradually extended, their expansion often leading to a change of their meaning within the system. Having been first introduced to complement the system,

they gradually became the base for a new pillar in the social protection system, arguably leading to a paradigmatic change of the whole system.

Just as in Germany, the French reforms resulted in an increasing dualization between insiders who benefit from unemployment insurance and outsiders who are assigned to social assistance, i.e. residual, means-tested benefits. Such changes have been introduced already in the early 1980s (Palier and Thelen 2010: 213-216). An agreement signed by the social partners in 1984 excluded those with the shortest contribution records from any entitlement to unemployment insurance benefits. The idea was to better distinguish between the 'sphere of insurance' (UNEDIC – unemployment insurance managed by the social partners) and the 'sphere of solidarity' (benefits financed through taxes and managed by the state).

Due in part to these reforms, the proportion of 'excluded people' increased, becoming one of the most pressing social issues of the late 1980s. New so called 'insertion policies' were introduced to deal with these problems, the most important of which was the RMI (revenu minimum d'insertion). By now, France has eight other social minimum income benefit programs with more than 10 percent of the French population currently receiving one of them. The creation of these assistance schemes eased cuts in the unemployment insurance system by shifting people from insurance benefits to social assistance.

Changes in the financing of the system were also introduced in order to render it more employment friendly (Palier 2010). Like other social insurance schemes, the unemployment insurance is financed through contributions levied on earnings. Employers pay more than employees, as the contribution rate is of 4 percent for the former and of 2.4 percent for the latter. During the 1990s, lowering the level of social contribution became the main employment policy in France. Some contributions were replaced by taxation. Thus, a new tax, originally aimed at replacing the social contribution financing by non-contributory benefits was created in the 1990s: CSG-Contribution sociale généralisée (levied on all

types of personal incomes, including wages, but also extending to capital revenues and welfare benefits). Today, CSG provides more than 20 per cent of all social protection resources and represents 35 per cent of the health care resources.

In the 2000s, activation policies were added to this dual system. In 2001, the Jospin government created a tax credit, called prime pour l'emploi (PPE), which is a negative income tax for low paid jobs (in-work benefits). In 2003, in the same vein, the Raffarin government aimed at increasing incentives to work by transforming the RMI into RMA (renvenu minimum d'activité) for those having benefited from RMI for two years. Since 2009, a new scheme, called RSA (revenu de solidarité active), which combines a social minimum and a supplementary income given to those entering subsidized low-skill, low-paid jobs, is replacing RMI. As is observed by Palier and Thelen (2010: 216), these policy measures provided some check on the growth of poverty in France, but this did not prevent the increasing bifurcation in the logic of the two systems of social protection.

The unemployment insurance is currently organized around two bodies: the state-run pôle emploi and the bipartite UNEDIC (*union nationale pour l'emploi dans l'industrie et le commerce*). Pôle emploi was formed in 2009 by the merger between the national employment agency (ANPE) and the unemployment insurance fund (ASSEDIC). The aim of pôle emploi is to provide jobseekers with a single point of contact for all employment-related services (registering, counseling, training, placing, and paying benefits). The main tasks of the UNEDIC, for its part, consist in administering the unemployment insurance scheme and in determining the benefits payment system. Despite the fact that it has long been a governmental agency, the UNEDIC has always been managed by the social partners. The social partners include the five unions (CGT, CFDT, FO, CFE-CGC, and CFTC) and the three employers' associations (Medef, CGPME, and UPA), who have historically been recognized as being 'representative' by the government. These actors set the provisions of the unemployment insurance. To that end, negotiations take place every

two or three years. Both sides (unions and employers) have equal power. More specifically, an agreement comes about if at least one organization of either side signs a new convention. Once an agreement has been reached, it has to be approved by the government. Usually, the government does not veto the provisions agreed upon by the social partners.

In theory, France offers one of the most accessible unemployment insurances among OECD countries. In reality, however, only one unemployed person in two draws benefits from the UNEDIC regime. This comparatively low coverage rate is mainly due to the fact that outsiders – jobseekers who formerly held short-term contracts, have never been employed, or are long-term unemployed – are not entitled to obtain unemployment insurance compensations.

Italy: severe dualization

The Italian unemployment benefit system is very complex, and highly segmented. Italy has seen two major reforms in 1997 and 2003, which modified the traditional employment policy mix and deeply transformed the rules that had been set up during the golden age of the post-war growth period (Jessoula et al. 2010: 562). Both reforms aimed at introducing some elements of the 'flexicurity' strategy into the Italian labour market.

Traditionally, the Italian protection against unemployment relied on a contributory unemployment insurance scheme and some special programmes providing 'wage replacement benefits' in case of temporary working-time reduction without definitive dismissal. The unemployment insurance (*indennità di disoccupazione ordinaria* (IDO)) was introduced in 1919 for blue collar workers and subsequently extended to all other categories of employees. Its benefit levels remained marginal until

the 1991 reform. Only after these reforms, these levels were increased to reach 60 per cent of the previous wage in 2008 (Ebbinghaus 2010; Anastasia et al. 2011). The special program of the 'integration insurance' (*cassa integrazione guadagni*), adopted in 1947, targets employees in industrial firms with more than 15 employees. This is a unique Italian institution, which keeps the unemployed connected to their last employer. It provides the large firms with the possibility to temporarily dismiss their workers in times of production difficulties – due for instance to bad weather or the general economic situation. This scheme is split into an ordinary (*cassa integrazione ordinaria* (CIG)) and an extraordinary (*cassa integrazione straordinaria* (CIGS)) scheme[8]. The extraordinary CIGS is for events of a 'non-transitory' character. Only about 40 per cent of the employees are covered by this special program. Moreover, the provision of these benefits is conditional upon a bargaining process between the government, the unions and employers. The unintended consequence of this institution is to severely restrict the workers' mobility, and it arguably constitutes a major obstacle to the introduction of flexicurity measures: jobless workers remain technically employed by their old firm and may not be inclined to look for a new job (Bonoli and Emmenegger 2010: 840).

In Italy, the high level of income protection for insiders is reinforced by their high job security, which is guaranteed by a rigid regulatory framework, one of the strictest among OECD countries. In particular, 'in 1966 individual dismissal was restricted by law to well-justified cases, and in 1970, Article 18 of the Workers' Statute prescribed that, in firms with more than 15 workers, employers were obliged to reintegrate fired workers if the Court declared dismissal illegitimate' (Jessoula et al. 2010: 566). The other side of the coin is the low level of protection of the great number of employees in small and medium firms (whom Jessoula et al. call the 'mid-siders'), and, above all, of the outsiders. In the past,

[8] Furthermore, as a reaction to the economic crisis in 2008 the government set up an additional scheme called cassa integrazione in deroga.

the 'mid-siders' did not have access to the same job security as the insiders in the large firms, because they were not covered by Article 18 and they were not entitled to the generous benefits provided by CIGO and CIGS. Outsiders suffered from the lack of a universal social assistance scheme and from the low resources invested in active labour market policies.

The first labour market reform measures (introduction of a mobility allowance for insiders) adopted in 1991 followed the passive policy route. In the second half of the 1990s, the policy repertoire was enriched, but it remained characterized by a strong dualism: insiders continue to enjoy strong protection, while outsiders, mostly young workers, women and immigrants, are employed under precarious conditions. In other words, the flexibility that was introduced was highly selective. Thus, the Treu reform (1997) provided for a gradual process of deregulation through the provision of so-called 'atypical' flexible contracts, and it introduced activation measures. The Biagi law (2003) proceeded further along the flexibility path. The policy innovations have not contributed to substantially reducing the traditional gap between insiders and outsiders, which is of particular importance, given the fact that the bulk of the large number of new jobs contributed to the positive trends in Italy's labour market since the late 1990s and up to the Great Recession were 'atypical' with 'non-standard' contracts. Moreover, the reform of the unemployment insurance went hand in hand with a weakening of the social assistance safety net (Jessoula and Alt 2010).

While the employees in small and medium firms, the 'mid-siders', now are entitled to more generous unemployment benefits than in the past, in terms of both duration and replacement rate, for most atypical workers, the unemployment protection is weak or non-existent. Information about the coverage rates of the unemployed in Italy is notoriously problematic since the estimations differ widely between sources and years. Anastasia et al. (2011: 18-19) summarize the main sources according to which between 12 and 43 per cent of atypical employees are not covered by the IDO. Moreover, there is

still a dramatic gap between Italy and other EU countries with respect to social assistance programmes, and activation measures are still weak. As a result, Jessoula et al. (2010: 576) suggest that 69 per cent of all unemployed have not been covered by any benefits in 2006.

To sum up, in Italy, 'flexibility has been pursued to a much greater extent than (social) security and the development of ALMPs and learning programmes' (Jessoula et al. 2010: 579): flexibilisation has been introduced for the new entrants to the labour market, while employment protection for the insiders has not changed. As a result, 'Italy is increasingly characterized by a dualism between labour market insiders protected by trade unions and labour market outsiders who carry the burden of adjustment' (Bonoli and Emmenegger 2010: 845).

UK: laissez faire

The UK has moved farthest along the lines of the 'triple integration' model proposed by Clasen and Clegg (2010). Unemployment protection in the UK has de facto become a single-tier system while technically remaining a two-tier one consisting of a contributory and a means-tested component (Clasen 2010). In a major reform in 1996, the Jobseeker's Allowance (JSA) was introduced, which amalgamated contributory-based unemployment benefits (insurance) and means-tested social assistance for unemployed persons. Unusual in the international context, the levels of the two systems has never diverged much and the benefits provided are extremely low compared to other countries. Relative to average full-time earnings, the value of unemployment benefit dropped from 20 per cent in the late 1970s to about 14 per cent by 1990. In 2010, it was equivalent to 11 per cent of average earnings. Most coverage is means-tested protection (77 per cent in 2009, compared to 21 per cent contributory). The unemployed are always assessed for unemployment benefits first (unless a person has never worked

previously) before proceeding to assessing whether they are entitled to claim assistance by passing a means test (Lødemel and Trickey 2001). Under some (special) conditions self-employed can also be entitled to benefits. By the establishment of JSA the government reinforced the coercive and also activating structure of the unemployment regime and simultaneously blurred the boundaries between contributory and non-contributory benefits (Lødemel and Trickey 2001).

In addition to the unemployment assistance and insurances schemes, there are several activation measures, so-called New Deals. These programs were originally initiated by the Labour government in 1998. By means of these activation measures, the government tries to reduce unemployment and welfare state dependency. These measures provide specific unemployed groups with enhanced training, voluntary work and subsidized employment. The unemployed participating in such programs are supported by a personal adviser in one of the Jobcentres Plus, which considers the necessary steps to optimize their individual situation. Thanks to the cooperation between the public, private and voluntary sector the unemployed are put into alternative jobs (Trickey and Walker 2001).

Originally, the New Deals were developed for the young unemployed and targeted people between 18-24 years, who have been unemployed for at least 6 months (Martin 2004: 52ff.). However, the programs were then extended to also include unemployed older than 25, who have been unemployed for more than 18 months (New Deal 25+), workers older than 50 (New Deal 50+), for lone parents (New Deal lone parents), and for disabled (New Deal for disabled). Whereas the New Deal for young people and the New Deal for 25+ are mandatory, the other programs are voluntary and require motivation and active participation.

From the point of view of individual unemployed persons, benefit entitlement during the past two decades has become increasingly conditional on participating in work-related activities (Clasen 2010). The contributory principle has become increasingly irrelevant and work conditionality (in addition to

need) increasingly important for determining the rights to benefits. Benefits have never been regarded as a 'social wage' and have at best been mildly earnings related. Homogenization has all but been achieved.

Conclusion

Summarizing the different aspects of the country-specific context structures, we find a great deal of overlap between the categorizations according to the various aspects. Table 3 presents an overview over the different aspects we have introduced in this chapter. As far as the political macro-context is concerned, the countries more or less fall into three groups. The first group consists of Denmark, Switzerland, and Germany – the consensus democracies, with highly coordinated, sector-specific policy networks, and coordinated market economies. Such structures are characteristic of small West European open economies, such as Denmark or Switzerland. Other members of this group include the Benelux countries, Austria or the other Scandinavian countries. Germany is the only large West European country that more or less fits into this group. France and Italy constitute the second group: they are majoritarian democracies with state market economies and at best temporary concertation among the social partners. The main structural element distinguishing the two is the different strength of the state: while France constitutes the paradigmatic case of a strong state, Italy has a very large, but notoriously weak state that is easily instrumentalized by social forces – such as the unions or political parties. This group represents the structural pattern of Southern Europe, which we also tend to find in the other countries in this region. The UK is the only member of the last group, which represents the anglo-saxon countries. It is characterized by a majoritarian democratic regime, pluralism in the

administrative arena, and a liberal market economy. On each of the overall structural aspects, it is clearly set apart from the other two groups.

Table 3: Overview over the context structures per country

Context structure	**DK**	**CH**	**D**	**F**	**I**	**UK**
Media system	Democratic corporatism			Political pluralism		Liberal
Democratic regime	Consensus democracy			Majoritarian democracy		
Policy network	Social corporatism	Sectoral coordination		Intervention	Symbiotic competition	Pluralism
Variety of capitalism	Coordinated market economy			State market economy		Liberal
Welfare regime	Social-democratic	Corporatist			Southern European	Liberal
Labour-market regime	Flexicurity active	Flexicurity passive	Dualisation			Deregulation

With respect to policy-specific legacies, we can again distinguish three groups of countries. These groups correspond to those for the overall classification, with the only difference that Germany changes groups. In spite of recent changes in the Danish labour-market regime, we still consider Denmark and Switzerland as the most likely representatives of the flexicurity regime. The overall welfare regimes of the two countries are not identical, and their labour-market policies are not quite the same either. Nevertheless, the labour-market regimes of the two countries seem to be closer to each other than they are to those of the other countries. This resemblance is a result of similar weaknesses of the left in the past (low job security), in combination with a strong liberal element, and a low domain-specific problem pressure in Switzerland, which allows the Swiss to maintain a rather generous unemployment insurance similar to the Danish one. In contrast to these two countries, Germany and the Southern European countries are characterized by an increasingly dualized labour market, which results from corresponding

policies that distinguish between labour-market insiders (who are well protected) and outsiders (who are only weakly protected). Italy is certainly the most extreme case of dualization in this group. The UK is again set apart, because its labour-market policies protect both insiders and outsiders only very superficially.

In this chapter, we have not discussed the media systems of the different countries, although they play, of course, a key role for political communication. The media systems of our six countries will be the topic of the next chapter.

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CHAPTER 2

The variety of national debates

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Introduction

In this chapter, we discuss the specific issues that have given rise to public debates in each country during our period of observation. As we have argued, at any given point in time, the national policy-specific debates are likely to focus on very different issues in different countries, depending on the country-specific problem pressure, the country-specific policy legacy, and the stage of the issue-specific policy-cycle in a given country. Political processes are generally characterized by stability and incrementalism – they incrementally develop the policy inventory that exists in a given policy domain. It is only occasionally that they enter into critical periods of rapid and substantial change. The punctuated equilibrium model of policymaking takes this simple observation as its point of departure (True et al. 2007). In periods of incremental change, the specialized policy-makers who form the policy-specific subsystems are in charge. They are responsible for the routine modifications which are required every now and then in a given policy domain. During such periods, the public generally takes little notice of the policy process going on in the subsystem. In periods of crisis, however, a specific policy domain becomes a top priority of the key political leaders and policymaking shifts from the subsystem to top level politics. It is during such periods of punctuation that the public debate is most likely to become focused on the issue-specific policy process.

Against the background of the urgency of the labour market problems in the aftermath of the ‚Great Recession', labour market policies have generally entered a period, where punctuations have become more likely in all of our countries. Thus, our period of observation has been characterized by some form of punctuation in the labour market policy domain in four of our six countries – Denmark, Germany, Italy and the UK. In one other, Switzerland, a punctuation has occurred just before the period we have selected for investigation. During the period we covered, both France and Switzerland only witnessed

low-key debates on labour-market policy issues. This is a consequence of the constraints imposed by the political agenda: while incremental processing at the policy-subsystems' level can occur simultaneously in parallel, the processing at the top level can take place only serially. In other words, the political agenda at the top level gets crowded very fast and the processing at that level can only take care of very few issues at one and the same time (Jones 1994). Accordingly, at any given point in time, the probability that a given issue is processed at the top level is quite low, even if the problem related to the issue is an urgent one that preoccupies the public very much. Thus, the financial and economic crisis had very serious consequences for many different policy subsystems, and, depending on the country-specific problem pressures and the strategies of the national leaders, these consequences were tackled in different orders of priority at variable moments in time, and, of course, in very different ways depending on the labour market regime of the country in question.

The public debate is, however, not only reflecting the agenda of the political system. It may also be a function of the media's own agenda, which may not necessarily coincide with the political agenda. Actors not part of the formal political process may attempt to put a given issue on the policy agenda, and the best opportunity they have to do so is to catch the attention of the media for their cause. Thus, social movements are typically staging protest events in the public sphere in order to catch the attention of the media which will increase their chances to obtain access to the policy agenda. In one of our countries, Italy, it was social movements who put the issues of the debate we selected for our study on the agenda. Professional experts and public intellectuals may use the media to raise an alarm and to contribute to the public issue-specific consciousness. Moreover, the media themselves, may choose to put a specific issue on their agenda, by their investigating activities, or even by explicit mobilization attempts (Kriesi 2004, Walgrave and Manssens 2000). They have, indeed, done so in one of our countries – Denmark.

We have selected our country-specific public debates as a combined result of our reading of the media during the period of our study and of our discussions with the labour market experts during our first interviews. For each country, we chose the most conspicuous issue in the unemployment policy domain during the period we covered. Table 4 presents the issues we selected and about which we interviewed our experts during the second interview. In three countries – Denmark, Italy and the UK, we selected two issues, because we were not sure which one of the two would become more important during the period in question. As it turned out, one of the two issues clearly dominated in Denmark and Italy, while the second British issue was in fact a sub-issue of the first, more encompassing one.

Table 4: Issues for the selected public debates, by country

	Denmark	**Switzerland**	**Germany**	**France**	**Italy**	**UK**
Debate 1	Activation	Mass dismissals	Hartz IV	Youth unemployment	FIAT	Comprehensive spending review
Debate 2	Youth unemployment				Education reform	Universal credit

Table 5 which provides an overview over the country-specific problem pressure, the stage of the policy cycle in the respective countries and their labour market regimes, allows linking these debates to the context conditions which we have presented in the previous chapter.

Table 5: Variables determining debate characteristics

Variables	DK	CH	DE	FR	IT	UK
Problem pressure problem structure	medium Skills	low Skills	medium precarity (long-term)	high precarity (youth/long-term)	high precarity (youth)	high Youth
Policy cycle	small recent reform	small recent reform	yes secondary reform	no reform	no reform	major reform, ongoing
Regime type	active flexicurity	passive flexicurity	Dualization	Dualization	Dualization	Deregulation
Passive benefits	++	+	-	++	+	-
Activation	++	+	+	-	--	+
Job protection	--	--	+	+	++	-

Table 6 provides two indicators for the intensity of the respective debates: the participation rate and the salience of the key issue-specific event in the period covered. The participation rate indicates the share of organizations represented by our respondents that took part in the debate. The debates are arranged according to this indicator which reaches from a high of 87 percent (for the British comprehensive spending review) to a low of 25 percent (for the mass layoffs at a plant of Roche pharmaceutics in Switzerland). The second indicator for the intensity of the debate measures the salience of the key issue-specific event: respondents were asked to assess the importance of these events on a scale ranging from 0 (not important at all) to 4 (extremely important).

Table 6: Indicators for the intensity of the issue-specific debates in fall 2010: salience of key events and participation rates

Country	Debate	Event	Salience	Participation rate
UK	Spending review	Reform announcement	3.80	.87
DE	Hartz IV	Draft by government	3.50	.86
DK	Activation	Reform announcement	2.81	.81
IT	FIAT	Refusal by FIOM	3.39	.77
FR	Youth unemployment	Agreement on opening negotiations	2.80	.76
IT2	Education	Manifestations	2.89	.73
UK2	Welfare state	Universal credit	2.82	.56
DK2	Youth unemployment	Funds by EU's social foundation	2.47	.31
CH	Dismissals	Roche	2.61	.25

In the UK, there was clearly a period of punctuation: against the background of a high problem pressure (see Table 5), the new government had launched an encompassing reform – the comprehensive spending review, which included a major overhaul of the social insurance schemes – the universal credit proposal. As is fitting for our example of a deregulation regime, this new reform proposal followed the ‚triple integration' model and involved cutting benefits and activation according to 'work first' principles. Unsurprisingly, this case of punctuation gave rise to the most intense public debate. Germany also experienced a rather intense debate, which was provoked by an incremental change of the major program in the policy domain, the modification of the Hartz IV reform that had first been implemented in 2005. As we have seen in the introduction, the problem pressure was less intense in Germany, but the effects of the crisis required a modification of the Hartz IV reform, which above all involved cutting benefits once again. The fact that the public debate in Germany concerns cutting benefits for people falling into social assistance is also quite typical for a dualization regime such as the German one.

The two Italian and one of the two Danish debates were also quite intense. All of them were put on the political agenda by challengers from below. In the Danish case, it was a media campaign that eventually

succeeded in putting the issue of activation on the agenda of top level politics, inducing the government to propose a minor reform of the activation policy – a key element of the Danish flexicurity regime. In the more important Italian case, an issue concerning the flexibilization of labour relations typical for the rigid dualization regime that characterizes Italy, it was the mobilization by the unions against FIAT industries that put the issue on the public and the political agenda. Similarly, the second Italian case also involved the mobilization by challengers, in this case mainly researchers, teachers and students who mobilized against the important cuts of the educational reform project submitted by the Berlusconi government. In this case, however, the mobilization from below only reinforced the salience of the issue on the political agenda.

Finally, for different reasons, the Swiss and the French public debates on unemployment related issues during the period covered were not as intense as the debates in the other four countries. In Switzerland, just before our observation period, the unemployment insurance had been the object of a direct-democratic vote – the typical Swiss version of punctuation. Although, compared to other countries, problem pressure has been low in Switzerland, as a result of the crisis the unemployment level had risen, which required a restructuring of the financial situation of the unemployment insurance. As is typical for Swiss politics, once the direct-democratic vote had been decided, the issue disappeared from the public agenda and returned to the political subsystem. Since the overall problem pressure was low in Switzerland, there was no other issue ready to take its place in the unemployment policy domain. The unions tried to push the issue of mass layoffs, given that three highly publicized instances of massive layoffs occurred during the period we covered. In France, the public debate related to unemployment was dominated by the pension reform during the period we covered. This high profile issue crowded out all the other issues in related policy domains. Meanwhile, the policy-makers in the subsystem agreed to tackle the problem of youth unemployment – an issue of particular importance in the dualized regimes of France and Italy.

We shall briefly present each one of the issues we selected in the remainder of this chapter. We follow the sequence of the regime types, beginning with flexicurity regimes of Denmark and Switzerland, continuing with the dualization regimes and ending with the deregulation regime of the UK

Denmark: Activation policy and young people in trouble

In the period under investigation, the unemployment issue enjoyed high salience in the Danish public. The public attention was, however, not primarily the result of the priority of the issue-specific policy process on the policy agenda of Danish politics, but it was above all due to a media storm on the Danish activation policy, and, to a minor extent, to a public debate on the steeply increasing rate of youth unemployment. We review the two debates separately.

The activation debate was important because, as we have seen, activation policy is one of three pillars in the Danish flexicurity model (e.g. Bredgaard et al. 2006; Emmenegger 2010). The quality and relevance of the actual content of the activation programs has been discussed regularly in the Danish public. This was, indeed, the case just prior to the period under investigation here. During the summer 2010, a host of media stories revealed that unemployed people were enrolled in bizarre courses, such as courses on analyzing the handwriting of Hitler, enabling them to find their inner bird, or to build towers of spaghetti. The media also reported that at least one person was sent in job training at a brothel. This debate on such 'irrelevant' and 'meaningless' activation prompted the Minister of Employment, Inger Støjberg, to launch an internal task force to come up with adjustments to the activation scheme – an assignment that was due in January 2011. During September 2010, the media sporadically returned to these stories and provided new examples of the meaninglessness and the counterproductive consequences of an overly bureaucratic activation regime.

In October 2010 a regular 'media storm' (see Wien and Elmelund-Præstekær 2009) erupted as the broadsheet paper, Berlingske Tidende, lunched a journalistic campaign on 'the great job circus' (Det store jobcirkus). The series was triggered by a case story on the activation practice of one of Copenhagen's major institutions situated in a street called Farvergade. The city of Copenhagen had no less than 800 uninsured unemployed assigned to the Farvergade project. Since the national law on activation prescribed a minimum of 25 hours of educational activity a week, one would have expected Farvergade to be humming with the activity of hundreds of jobseekers at any point in time. But the journalists never met more than 40 to 50 people during their frequent visits. Berlingske Tidende filed an application under the act of freedom of information and revealed that Farvergade only provided one and a half hours of training a week. On this basis, the newspaper concluded that not only did the unemployed not get the services they were entitled to, but that the city council also had a major economic benefit from this neglect.

The reason for accusing the city of fraudulous behavior is straightforward, but requires a bit of information on the national activation law: Since the reform of unemployment policy by the centre-right government, the activation policy has been administrated and implemented by the municipalities, while the national state is obliged to reimburse 35 per cent (now 30 per cent) of the benefits for uninsured unemployed people (i.e. for people who are not members of an unemployment fund). To provide the municipalities with an economic incentive to get people into jobs, the state has to reimburse not only 35, but 65 per cent (now down to 50 per cent) of the unemployment benefits once the municipality declares that an unemployed person is activated (assuming that activation is a first step towards a permanent job). Thus, the journalists argued that the municipality of Copenhagen collected the high reimbursement rate without really doing anything for the formally activated unemployed – the activation was in fact fake. This interpretation was shared by a high ranking public officer in the

Copenhagen unemployment administration, who not only went public with his criticisms but also filled an official complaint to the Ombudsman.

In its journalistic campaign, Berlingske Tidende framed the Farvergade case as a symptom of a 'system failure' in the national law rather than merely an instance of municipal malpractice. In the following days, the newspaper wrote stories about similar experiences in other municipalities, and the national problem frame was reinforced by giving voice to university experts, representatives from the labor unions and the employers' organizations, the (left-wing) political opposition at the national level, and people knowing the system from within. Finally, the journalists referred to the Labor Market Commission consisting of nine independent experts that had been earlier called upon by the government to provide advice as to how to enlarge the unsubsidized labor force: the commission had published its final rapport in 2009 and had pointed to exactly the problems in the activation law revealed by the newspapers. It had proposed alternative regulations, but its proposal was not adopted by the government.

In mid-October, the Audit of the State Accounts published a report heavily criticizing another aspect of the activation policy. While the Farvergade project was supposed to activate the so-called job-ready unemployed, the Audit report concluded that the municipalities in general were performing poorly in their activation of the 'non-job-ready'. In fact people outside the activation programs had higher chances of getting a job than those participating in such programs.

Finally, on October 19, the Minister of Employment promised to recalibrate the activation policy. As the government did not come up with concrete policy proposals, the media filled out the waiting time by pointing to even more troubles related to the activation policies. They suggested, for example, that municipalities did not activate the unemployed as quickly as prescribed by the law, or that the activation of people on sick leave paid too little attention to the conditions forcing them out of their jobs in the

first place. Moreover, the interest organization of the Danish municipalities, Local Government Denmark (KL), did not hesitate when it came to prescribing a medicine to cure all problems. It was in the organization's declared interest to keep the activation policy at the municipal level, and, accordingly, it came up with a list of elements that should be included in the activation reform – most of which were taken from the Labor Market Commission's final report.

By November 17, the government presented its own reform package, consisting of three bills (L67, L69 and L71). Besides some marginal adjustments, the key elements of these three bills included:

Reduced reimbursement rates from the state to the municipalities (L71). For the insured unemployed the rates were reduced from 50/75 per cent to 30/50 per cent and for the uninsured unemployed from 35/65 to 30/50 per cent. The proposal was to reduce the public annual expenditures by approximately 70 million Euros.

Similar reductions of the reimbursement rates for unemployed on sickness leave (L67). This was cost neutral for the municipalities collectively due to a simultaneous increase in the general subsidies from the state to the municipalities.

Delimitation of activation measures subject to the high reimbursement rate (L71). Specifically, activation via guidance and upgrading of skills especially designed for unemployed participations was no longer sufficient for the municipalities to obtain the high rate (i.e. no more courses in Hitler's handwriting or inner bird finding) – it would only be possible to obtain the high rates when activating the unemployed via formal and generally acknowledged education programs, via practical work training, or a subsidized job.

Introduction of a maximum cost (18,500 Euro) of the six weeks of optional education for unemployed (L69). This initiative reduced the public annual expenditures by approximately 50 million Euros. Later on,

as the new Social Democratic Prime Minister, Helle Thorning-Schmidt took office in fall 2011 this initiative was revoked.

General reduction (from 2,500 to 1,800 Euro) in the maximum annual cost of administration of one unemployed person's activation (L71). This was cost neutral for the municipalities collectively due to a simultaneous increase in the general subsidies from the state to the municipalities.

Some groups (not clearly defined) of sick unemployed are relieved for the demand of activation – without reduction in the reimbursement rate (L67).

Incitements for the municipalities to get unemployed on sickness leave in to part time activation (L67)

All three bills were adopted by the parliament only one month after they were tabled, i.e. on December 17 – a time frame criticized by the unions for being too narrow to allow for sufficient public debate on the changes. The bills were adopted – without any substantial alterations – by the governmental coalition (i.e. the Liberals and the Conservatives), the Danish People's Party, and the Liberal Alliance. The left voted against the bills. The social liberals did, however, support L67. All changes were to be effectuated by January 1, 2011.

The government never really managed to frame the public debate. Instead a long list of actors seemed to agree that the government's reform did not respond properly to the problems encountered in the real world. Especially four arguments gained momentum during the debate in November and December: First, the parliamentary opposition and several specialized interest organizations (e.g. Uddannelsesforbundet) argued that the general reduction in reimbursement rates and the ceasing of activation of people off work due to sickness were nothing but a measure of retrenchment – it would not provide the municipalities with tools to get people into real jobs and it would only make it harder to help the weakest unemployed, i.e. people unfit for ordinary education and job training. Second, the

parliamentary opposition as well as specialized educational organizations and major labor unions (e.g. 3F) argued that the new maximum costs of activation and education in conjunction with the incitement to activate people via temporary jobs would be counterproductive to the general ambition of the government to improve the skills of the unemployed. Third, the same actors argued that the new regulation would not put an end to economic speculation in the municipalities. In fact, the new regulation would have the same perverse effects as the old one, because public and private employers would be tempted to lay off regular employees and hire in people in temporary or subsidized positions instead – i.e. the municipalities would still be prompted to consider economic gains rather than the best interests of the unemployed when implementing the activation policy. Finally, university researchers and Local Government Denmark (KL) criticized the fact that the government kept formulating the active labor market policy without any solid empirical evidence of possible effects and that the government did not alter the detailed control regime set up to monitor the municipalities as well as the individual unemployed. The municipalities were not granted more autonomy – or trust – to design their own individual solutions and ideas to get people in permanent jobs.

In December the Ministry of Employment demanded that the municipality of Copenhagen pay back a total of 390 million kroner (52 million Euro or approximately five percent of the yearly labor market budget in Copenhagen) because of what the ministry saw as an illegal practice in Farvergade and multiple other places. This was a historically huge demand and the city council decided in early February to file a lawsuit against the state on the matter. Before the court case began in the summer of 2011 the state's claim was reduced to 65 million kroner (9 million Euro), but the final verdict has in the time of writing yet to come. Ironically, the very 25 hour rule that was the main driver of Berlingske Tidende's journalistic campaign on the Farversgade case in particular and the activation policy in general was abolished by the government already in the beginning of 2011 together with 45 other rules in order to

'get rid of the hassle' as the Minister put it. These 46 instances of 'de-bureaucratization' was the result of the task force assignment mentioned above initiated by the Minister in summer 2010.

Turning to the issue of youth unemployment, some aspects relate to the issue of activation, but in general the unemployment issue was not as salient as the issue of activation. It is also more difficult to identify consistent streams of arguments in the coverage of the youth unemployment – a lack of focus that perhaps stems from the following dilemma: on the one hand, the general issue of unemployment was, indeed, a salient issues in the period under investigation, and almost all actors agreed that the global economic downturn had the most negative consequences among the young in terms of an increasing unemployment rate. On the other hand, the media strived to put the Danish situation into a global – or at least European – perspective, and in comparison with many other countries (especially Spain, Italy, France, and Greece) the Danish youth enjoyed, as we have seen, a fairly high degree of employment.

However, even though the unemployment rate was low by international standards, it had quadrupled in just two years and the youngest generation was significantly more unemployed than any other generation. Thus, by national standards the issue of youth unemployment was important, arguably more important than the nation as such was willing to admit, as claimed by an editor at Politiken, a major centre-left national newspaper. By the end of February 2011 the editor warned against the risk of creating yet another "generation no-future" like the one in the 1970s. The issue did not make the front pages on a regular basis, but it was discussed to some extent during the period of investigation.

Thus, the general awareness of an increasing rate of unemployment among the young provided several labor unions with an opportunity to call for political action. However, no strong political demand was voiced to reform the active labor market policy. The demands from various unions would merely calibrate the existing policies, and the opposition's so-called "youth plan" presented in February 2011

did not aim at altering the fundamentals of the existing policy – it primarily promised to increase the capacity of the universities and other educational institutions. Moreover, this plan only attracted little attention and mostly negative comments.

Switzerland: a low key issue – mass layoffs

In Switzerland, an intense debate on unemployment policy had been taking place in the weeks just before our observation period. The debate was part of the referendum campaign on the revised unemployment insurance law, on which the Swiss citizens had to vote on 26 September 2010. Such referendum campaigns are the typically Swiss version of punctuation of the routine policy process: they incite the whole country to debate the issues on the agenda of the public vote. On September 26, 2010, 53 per cent of Swiss citizens accepted the reform of the unemployment insurance supported by the federal government, right-wing parties, and business interest groups in a direct-democratic vote. The aim of the reform was to improve the financial situation of the unemployment insurance. Over the previous seven years, the insurance had accumulated debts of 7.1 billion Swiss francs, since the country's average unemployment rate had proved to be higher (3.3 per cent) than expected 2.5 per cent. The reform was designed to tap additional revenues as well as to reduce the expenditures. Both chambers of Parliament agreed on an increase of wage contributions assumed by employers and employees from 2 to 2.2 per cent. In addition, they decided to introduce a temporary 'solidarity percentage' for incomes between 126'000 and 315'000 Swiss francs. According to the Federal State Secretariat for Economic Affairs (Seco 2010), these two measures were expected to raise an additional 646 million Swiss francs per year, while cuts in benefits were expected to improve the financial situation of the insurance by another 626 million francs. Among others, these cuts included a closer linkage

between the length of the contribution periods and the duration of entitlements (e.g. the unemployed qualify for daily allowances during 18 months at most only if they have paid contributions for a minimum of 18 months instead of the previous 12 months), an extension of waiting periods for young people, as well as the abolishment of the possibility to extend the length of benefits in regions with high unemployment rates. In addition, time spent by unemployed people in public employment programs does not grant the right to benefit from additional benefits anymore. Labor unions and left-wing parties opposed these retrenchment measures, particularly those targeted at the young unemployed. In calling for a referendum, these actors had challenged the federal law adopted by Parliament in March 2010.

With the adoption of the law, unemployment policy largely disappeared from the public space, as the policy subsystem was now occupied with the details of the law's implementation, i.e. with the elaboration of the legal ordinance of the unemployment insurance (*Verordnung über die obligatorische Arbeitslosenversicherung und Insolvenzentschädigung, AVIV*), which had to be partially revised as a consequence of the reform adopted in the popular vote. There was little time for the elaboration of the ordinance, since the federal government announced that the revision would become effective by April 2011. In October 2010, the Federal Secretariat for Economic Affairs launched the corresponding consultation procedure (*Vernehmlassungsverfahren*). By January 2011, 83 political actors had taken the opportunity to comment on the blueprint issued by Seco. 15 organizations asked the federal authorities not to apply the new rules to persons who already had been unemployed. Calls for transitory measures were particularly fuelled by the circumstance that, as a result of the revised scheme, about 15'000 unemployed (roughly ten per cent of claimants) were expected to prematurely lose their entitlements by April 2011, thus leading to higher social assistance expenditures at the sub-national level. Nevertheless, the federal government stood firm. In March 2011, it decided to apply the new provisions pertaining to benefit duration to all recipients. In two respects, the government appeared more generous than the blueprint proposed by the Federal Secretariat for Economic Affairs, however. First, it

refrained from raising the minimum monthly wage covered by the insurance from 500 to 800 Swiss francs. No less than 45 consulted organizations had criticized the planned increase. Second, the government accepted to double the period of employment for persons engaged in the cultural sector required for the calculation of the contribution period. For this purpose, some cultural professionals had constituted a committee.

Public attention to the issue of unemployment was also constrained by the fact that, contrary to our other cases, Switzerland showed no obvious signs of economic weakness during our period of interest. As we have already seen in Chapter 1, its unemployment rate remained at a comparatively low level in spite of the Great Recession. The country had quickly found back to its path of prosperity.

The only employment-related topic concerned *the strength of the Swiss franc*. Its steady appreciation caused growing concern about Switzerland's international competitiveness. Somewhat ironically, the Swiss economy became a victim of its own success. The debt crises from which suffered many other countries had increased the attractiveness of the Swiss franc as a 'safe haven'. As a small open economy, Switzerland proved to be very sensitive to currency fluctuations. The export share in relation to its gross domestic product (GDP) attains 40 per cent. The European Union, and in particular Germany, are Switzerland's largest export markets. The Swiss currency had gained more than 12 per cent against the euro in the previous 12 months, a development that alarmed Swiss exporters. The Swiss National Bank (SNB) had tried to curb the appreciation of the franc by massively buying euros in spring 2010, but was forced to abandon its interventions in June 2010, since it proved impossible to defend a targeted exchange rate of 1.40 SFr/euro. The SNB defended its interventions on the foreign currency market by arguing that it had at least been able to slow down the appreciation of the Swiss franc, which helped saving jobs and keeping the economy on track. In January 2011, the SNB reported an impressive loss of 26 billion francs on its foreign currency positions for 2010. Despite the fact that Swiss products and

services had become much more expensive to sell abroad, most exporting companies did not cut jobs during our period of investigation.

There have been two major instances of mass dismissals, which were not directly related to the strength of the Swiss franc. On 4 October 2010, Alsthom, a French engineering group, announced to cut 4000 jobs from its power division, whereof 750 jobs in its Swiss plant near Baden (Argovia). The company blamed the impact of the economic crisis on the coal and gas plant equipment markets. Roche, a Swiss pharmaceutical giant, planned to axe 4800 jobs as part of a worldwide restructuring plan. The company released this announcement on 17 November 2010, stating that some 770 positions would be lost in Switzerland. Most importantly, Roche decided to close a diabetes diagnostic center in the canton of Bern. Both episodes triggered some harsh reactions by labor unions. The scope of these events remained rather limited, however. They drew some media reports, most of which remained at the local level. Given that these events were sporadic and unique in nature, they did not give rise to any coherent debate about mass dismissals. This rather surprising result was attributable to the fact that Swiss companies accepted lower prices to maintain orders from abroad. This strategy let profit margins erode, but prevented companies from suffering a drop in demand. As a result, economic activity did not slow down.

Nevertheless, it was beyond dispute that a long lasting strong Swiss franc would cause great damage to the economy. However, the debate on the strong Swiss franc long remained on a very low level of intensity. This only began to change when the euro fell under 1.30 Swiss francs in December 2010. A number of ideas emerged in order to prevent a further appreciation of the domestic currency. These measures included pegging the franc to the euro, selling gold, accelerating inflation, introducing negative interest rates, limiting the inflow of capital, and paying salaries to cross-border workers in euros instead of Swiss francs. The Swiss Federation of Trade Unions also proposed to reintroduce the so-

called ‘gentlemen’s agreement’ between the SNB and Swiss banks. In 1976, the latter had promised not to make use of speculative currency transactions to strengthen the Swiss currency. However, with the exception of labor unions, left-wing parties, and some isolated entrepreneurs and economists, no major political force called the federal authorities to take action against the negative impacts of the strong franc.

Most importantly, the Swiss business community stuck to its notorious free market ethos. Economiesuisse, the most powerful business federation, called on companies to adapt to the challenge posed by the strong Swiss franc by diversifying their activities and increasing their productivity. Even Swissmem, the umbrella organization of export-oriented Swiss engineering and machinery industry, did not urge the government to take short-term measures. Despite the fact that Swissmem had warned the strong franc could entail up to 50’000 job losses, its demands focused on general economic conditions and were long-term in nature, such as more money for innovation, new free trade agreements with emerging markets, and maintaining both the flexible domestic labor market and the free movement of persons with the European Union. More pragmatically, many political actors rejected governmental measures to combat the strong Swiss francs on the grounds that the Swiss economy had escaped a deep crisis by pointing its above-average performance in terms of growth and employment.

On 14 January 2011, the State Secretariat for Economic Affairs (Seco) invited representatives of the business community and labor unions to top-level talks regarding possible policy responses to the strong Swiss franc.[9] Swiss media referred to this talk as a ‘crisis meeting’. Not surprisingly, the meeting came up with no specific measures to prevent the Swiss franc’s appreciation. A statement issued by Seco

[9] Amongst others, Economiesuisse, the Swiss Employers’ Association (SAV), the Association of Small Business (SGV), the Federation of Swiss Trade Unions (SGB) as well as representatives of the engineering industry, the pharmaceutical industry, the watch industry, banking, tourism and farming took part in this meeting.

(2011) pointed out that there was no consensus on what could be done in light of the strong franc. Participants only agreed on the independence of the Swiss National Bank to steer the country's monetary policy. After the meeting, the Federation of Swiss Trade Unions (SGB) criticized that no decision had been reached. Only on September 6, 2011, when the Swiss franc had almost reached parity with the euro, the Swiss National Bank declared its new policy to fight against the overvaluation of the Swiss franc and to defend a minimum rate of 1.20 SFr/euro 'with the utmost determination'.

Germany: the details of Hartz IV

Between September and December 2010, the relevant public debate concerning unemployment was about the Hartz IV benefit reform. The reform of the Hartz IV benefit rates had become necessary following a ruling by Germany's highest court: On 9 February, 2010, the *Federal Court* had declared the Hartz IV standard rates unconstitutional. It had instructed the federal government to render these rates more transparent and the calculation basis less arbitrary. The date set for these modifications was the end of the year 2010. In particular, the Constitutional Court claimed that the standard rate for children of benefit recipients should be based on their actual needs and not simply be calculated as a percentage of the standard rate for adults. Furthermore, additional earnings (Zuverdienst) should be regulated in a way that they increase incentives for recipients to accept further employment. In September and October 2010, the *government* worked out and agreed on a bill for the reform. Between October 2010 and February 2011, the debate about the reform of the Hartz IV legislation took place in the *parliamentary* arena. In this arena, the debate focused mainly on the standard benefit rate, on the so-called education package (Bildungspaket), additional earnings for benefit claimants (Zuverdienst), and on financial support for municipalities.

The debate was prominently covered in the media because, since its introduction in 2005, Hartz IV legislation has been an important issue. However, it was not as prominently covered as it could have been because the unemployment rates were comparatively low, which decreased the perceived importance of the problem. In addition, there were other important debates taking place at the same time such as the debates about Stuttgart 21, the Castor transports, retirement age of 67 or the budget 2011, which crowded out the unemployment issue from the public agenda.

After the Court's decision in February 2010, the government presented a draft bill for the reform of the Hartz IV benefit rates on 26 September, and agreed on a slightly modified version on 20 October. The government basically proposed a five euro increase of the Hartz IV benefits (from 359 to 364 euro), and better conditions for children of benefit recipients and for municipalities. On 3 December, the Bundestag (lower house) accepted the government's bill. The agreement was mainly based on the votes from the government coalition: the Christian Democratic Union-Christian Social Union alliance (CDU/CSU) and the Free Democratic Party (FDP). On 17 December, the Bundesrat (the upper house in which the states are represented) came to a different decision and rejected the bill. In this chamber, the governing coalition parties were not able to command a majority. The governing coalition would have needed votes from the opposition. The opposition (SPD, Left, Greens) argued that the bill was still unconstitutional and intransparent. Above all, it demanded a larger increase of the benefits than the five euro increase provided by the bill, and support for poor children in general (not only for children of benefit recipients). In addition, it called for a minimum wage.

Given the disagreement between the two chambers, a mediation committee (Vermittlungsausschuss) with members from both chambers was charged with finding a solution. After several meetings, a compromise was found on 21 February 2011. On 25 February, both chambers officially accepted the suggested compromise: First, the limited benefits increase by five euros was maintained and introduced

with retrospective effect as of 1 January, 2010. An additional increase by three euros (plus inflation) was accepted for 1 January, 2012. Second, poor children (not only children from benefit recipients) were to receive additional funds for education and participation in social and cultural activities. Included in this education package were school lunches, homework tutoring and contributions to afternoon sports clubs and music schools. The estimated costs for the educational package were ten euros per child per month. Third, minimum wages for temporary workers started to kick in on 1 May, 2011. For the approximately one million temporary workers, the minimum wage amounted to 7.6 euros an hour. Finally, municipalities received financial relief: starting on 1 January, 2012, the federal government increasingly subsidized costs of basic social assistance for retired people (Grundsicherung im Alter). After 1 January, 2014, the federal state was to bear all the costs related to this kind of assistance. The compromise was accepted when, finally, the largest opposition party (SPD) also agreed to it. Thus, the governing coalition (CDU/CSU, FDP), together with the votes of the SPD obtained a majority in the Bundesrat. The responsible minister Ursula von der Leyen (CDU) called the agreement a joint project of the coalition and the opposition and considered it a reasonable solution. In particular, she pointed out that children and municipalities were to gain most from the agreement. She also recognized that the negotiations were hard. The Greens and the Left continued to disagree. Above all, they were concerned that the arbitrary basis for the calculation of benefits would give rise to renewed lawsuits before the Federal Constitutional Court. As a consequence, the member states (Bundesländer) where the Greens or the Left were part of the government coalition, such as Nordrhein-Westfalen, Bremen, Berlin, and Saarland, abstained from voting in the Bundesrat.

France: an issue marginalized by pension reform

Strictly speaking, unemployment policies did not occur in any arena during our period of observation. The main reason relates to the fact that French politics focused the attention on the governmental pension reform. Accordingly, the public debate during our period of observation was dominated by the pension reform. The government proposed to raise the normal retirement age for public pensions from 65 to 67 and the anticipated retirement age from 60 to 62. As is usual in France, protests against the reform took place in the streets. United labor unions organized fourteen days of nationwide demonstrations from 23 March to 23 November 2010. The most attended events happened in September and in October 2010. According to labor unions, over two million people took to the streets in each of the seven demonstrations that occurred during these two months. In addition, there were some strike activities in the public transport sector, as well as blockades of motorways and of the access to refineries, leading to a serious fuel shortage. Despite this impressive mobilization and the fact that polls taken in October revealed that a majority of the French population supported the strikes, both chambers of Parliament approved the reform with some minor concessions. The Senate voted the law on 26 October and the National Assembly on 27 October. In a last effort to withdraw the reform, defeated Socialist MPs appealed to the Constitutional Council. Since their plaint was rejected, President Nicolas Sarkozy promulgated the law on 10 November 2010.

One of the most striking features of the protest movement against the governmental pension reform concerned the participation of numerous students who joined the employees. They were worried that raising the retirement age would worsen their job opportunities in the French labor market. As we have seen in Chapter 1, the jobless rate for people under 25 years reached 24 per cent in France in fall 2010 – one of the highest levels among OECD countries. Other problems include repetitive poorly paid

internships, job instability, and low incomes. Moreover, young people are particularly hit by high rental costs. Some media described today's youth as a 'sacrificed generation'. Given that the difficult situation of young people had attracted the public's attention, it was not surprising that the *problématique* of youth unemployment remained in the public's focus in the aftermath of the pension reform hype. The debate on youth unemployment turned out to be low-key, however. Policy measures were decided in corporatist-like arrangements between the social partners and the government.

In fall 2010, the social partners agreed on opening negotiations aimed at tackling the problem of youth unemployment. These negotiations can be traced back to a proposition expressed by François Chérèque, the leader of the reformist labor union CFDT, in a TV show on 25 October 2010. Laurence Parisot, the president of MEDEF, the most important employers' association, immediately accepted taking part in these negotiations. Beyond the issue of youth unemployment, the resumption of high-level talks between labor unions and employers was of particular importance, as the protest movement against the governmental pension reform had made such a *dialogue social* impossible. By means of bilateral meetings with union leaders, Ms. Parisot established a social agenda for 2011. Her proposition to address four themes (employment, social protection, work conditions, and industrial relations) was approved by labor unions on 10 January 2011. The only exception concerned the communist CGT, which as a consequence of the passage of the pension reform had decided to only selectively participate in these negotiations. With respect to the domain of employment, the social partners agreed on dealing with the problems of both the young and the elderly as well as with the convention of the unemployment insurance scheme on which an agreement had to be reached.[10] The negotiations on youth unemployment took place from February to July 2011, i.e. after the close of our period of

[10] As for the latter, negotiations began on 24 January 2011. With some minor exceptions, social partners agreed to continue most provisions of the 2009 convention on 6 May. The labor union CGT was the only organization that refused to sign the text.

observation. Altogether, the negotiations on youth (un)employment gave rise to four agreements, dealing with access to the labor market, access to accommodation facilities, apprenticeships and internships, as well as the maintenance of young people in the labor market. The overall costs of the corresponding provisions were estimated at 155 million euros by the social partners.

The government, for its part, focused on the promotion of apprenticeships, since it was impressed by the performance of Germany in this domain. In a TV speech held on 16 November 2010, president Sarkozy promised to double the number of apprenticeships, mentioning a study by Dares (2010) which showed that young people who completed an apprenticeship were much more likely to find a job. The objectives of Xavier Bertrand, the Minster of Labor, proved somewhat more realistic. He declared that he wanted to see the number of apprenticeships increase from 600'000 in 2010 to 800'000 in 2015. In order to incite companies to hire young trainees, Bertrand proposed to introduce a bonus-malus system, which was eventually adopted by Parliament in July 2011. Firms with more than 250 employees which do employ at least 4 per cent of apprenticeships obtain a yearly payment of 400 euros for each contract, while those that fail to attain this level are taxed between 0.05 and 0.2 per cent on their overall sum of salaries, depending on the exact proportion of trainees. In addition, the government decided to spend 500 million euros for the modernisation of training centers.

Italy: industrial relations and education reform$

In Italy in October 2010, at the time of our observation period, there were two debates related to unemployment. First, there was an ongoing dispute between FIAT's CEO Sergio Marchionne and the unions, above all the left-wing CIGL, about the conditions under which workers should be forced to accept to avoid delocalizing the Pomigliano and Mirafiori factories to Serbia. Secondly, on November 25 2011 the education minister Mariastella Gelmini finally managed to have parliament adopt a major education reform, which led not only to major cuts in the educational budget but also to layoffs of public employees and a worsening of the working conditions, especially for young researchers and teachers at the academic level. These two debates, which at first sight might seem uncorrelated, generated a broad public discussion about Italy's future and a wave of mobilizations of employees, unions, students, researchers and precarious workers (*precari*).

The first debate about the Italian automobile industry, the most important international firm of which is FIAT, refers to the issue of Italian labour market flexibilization and to the issue of industrial relations bargaining practices established since the 1980s. Italy as a country belonging to the Southern European welfare state model suffers from the characteristic 'vices' of this model: stagnant employment and rising unemployment levels. Typical for continental welfare states, an especially large share of the firms' costs derive from the inflexible labour market and the high taxes on labour (Levy 1999: 240-242). The inflexibility of the Italian labour market has already led to major political reform attempts in the past. As already pointed out in Chapter 2, a first step in this direction had been taken with the introduction of the Treu Reform in 1996/1997, which introduced the possibility of temporary contracts for both the private and public sector.

In 2003, the Biagi law went a step further in this direction paving the way for firm-level contracts that could opt out of the national collective agreement and determine working conditions more liberally. Marchionne's move constituted a successful attempt to opt out of such a national agreement. He proposed agreements described by the unions as an exchange of 'rights' for 'work', and this precisely in the context of the economic crisis and after a two years period of short term work in FIAT's plants covered by the *Cassa integrazione* 'in deroga'[11]. In June 2010, after a long consultation and negotiation period, the workforce in the Pomigliano factory near Naples was requested to cast a ballot in favour of more restrictive employment conditions trying to reduce absenteeism, low productivity, labour cost, excessive 'pauses' and strikes in order to save the factory and the jobs. The alternative proposed by FIAT was an immediate mass layoff and an industrial delocalization to Serbia. Faced with this alternative, the workers in Pomigliano eventually accepted the agreement with 63 per cent of the votes, and prevented an outsourcing of the FIAT factory to Serbia. Essentially the same reforms were later also introduced in the Mirafiori factory near Turin. There, the workforce was called to the ballot on 13-14 January 2011 and a majority of 54 per cent accepted the agreement curtailing worker's rights[12] in exchange for the guarantee of further investments in the factory.

The Fiat proposal, which was supported by the government, also found the support of two of the three most important labour unions – the metal workers' branches of CISL and UIL. However, the left-wing FIOM – the metal workers' branch of CIGL – opposed the proposal and argued that this agreement undermined the *Art. 1* of the Italian Constitution and especially the right to strike. This reference to the Constitution was used to raise a matter of principle against any regulation possibly constraining the

[11] The Cassa Integrazione in deroga is an additional short-term work programme that has been introduced specifically to fight against the rising unemployment as a consequence to the economic crisis 2008.

[12] New regulations include for instance the reduction of pauses from 40 to 30 minutes of pauses; increases in production rythm; possibility to use the lunch pause to absolve overtime, mandatory overtime increased by 80 hours per year.

employees' rights. The division of the unions in this particular case revived old rivalries and put an end to a period of union cooperation that had started with the advent of the left-wing Prodi government in 2006. At the same time, a series of protests and mobilizations mainly organized by the CIGL and supported by the communist and radical left parties (Rifondazione Comunista, Sinistra Ecologia and Liberà, Itala dei Valori) took place against this 'disgraceful' trading of rights against work, which was seen as a precedent that could spread to other parts of the labour market.

This conflict about the Pomigliano contract was exacerbated and instrumentalized by the Berlusconi's government supporting FIAT's requests. Because of its disagreement with the new contract the CGIL section FIOM was definitely excluded from industry-level representation inside FIAT factories. FIAT, on the other hand, was threatened by Confindustria, the main Italian employers' organisation, with an exclusion from the association by January 2012 in case no adequate agreement should be reached.

Another important labour-market policy reform, which is related to the debate on flexibilization reforms in Italy, refers to the introduction of the so-called *Collegato lavoro* (law 183/2010) on November 24, 2010. This law applies especially to workers in atypical contracts. Among other things, the *collegato* tries to rationalize dispute settlement procedures by reducing the period to appeal in court from 5 years to 270 days (Art. 30-31). Unions criticized this *collegato* especially because, as they saw it, the new procedures allow employers to 'blackmail' their employees by confronting them with the choice between accepting the new clauses or quitting the job (Art. 31). Opponents from the left described the arbitration procedure as an attempt to bypass Art. 18 of the workers' statute, according to which the recourse to a judge in case of layoff or labour disputes is mandatory. They regard them as especially penalizing for atypical workers, who, as a consequence of the Biagi Law, already experienced a reduction of their contractual rights. These actors claim that the new flexibility lacks a safety net whenever a precarious work situation leads to unemployment.

Our observation period also coincided with the final part of the (since 2008) ongoing parliamentary debate on a far reaching restructuration of the educational system. The first part of the Gelmini law had been introduced for primary schools in September 2009, and for secondary schools in September 2010. During our observation period, a similar was finally approved for university education by the Chamber of Deputies on 25 November 2010 and by the Senate on 23 December 2010. President Napolitano signed the corresponding decree on December 31. Overall, the reform introduced massive budget cuts in this policy domain.

The debate on the last part of the Gelmini reform mobilized researchers, teachers and students who were afraid of loosing their jobs and who feared for the quality of education. Some of the catchphrases used during the protest on October 16 were "Sapere bene comune", "Il sapere batte la crisi", "Non moriremo precari", "Noi la crisi non la paghiamo", "Per il futuro, per l'Italia" or "Siamo tutti Brontolo" in reference to the seventh Walt Disney dwarf, Grumpy, representing the "angry worker" (De Santis 2010). Further massive protests against the Gelmini reform, which sometimes degenerated into violent encounters, took place in different cities and universities during November 2010. On the weekend of the Novermber 29, the main slogans was "Io non mi fido". Another climax in protest was registered briefly before the debates in the Chamber of Deputies on December 22, 2010.

Overall, these debates were rather intense. They launched a general discussion about Italy's future. The conflict opposed the left opposition to the Berlusconi government. While the government parties, and the moderate unions (CISL and UIL) supported FIAT and Minister Gelmini, CIGL and the opposition parties from the radical left were against the educational reform and the agreements with Marchionne.

UK: a fundamental reform

In the United Kingdom we witnessed the debate on a major reform during our observation period, a reform that was related to unemployment in different ways: the debate on the 'Comprehensive Spending Review'. The British general elections to the House of Commons took place on May 6, 2010. After 13 years of Labour government, the first coalition government of Conservatives and Liberal Democrats, under David Cameron, was formed and formally announced on May 12. Shortly afterwards, on 22 June 2010, the new Chancellor of the Exchequer, George Osborne, held his first budget speech and made the announcement that the new government intended to save 40bn pounds during the current legislative period (2010-2014). Then, the consultation process and detail planning of the spending review started. Osborne presented the definitive 'Comprehensive Spending Review' proposal to the House of the Commons on October 20, 2010 (HM Treasury 2010d).

For two reasons, the *'Comprehensive Spending Review' (*CSR) is relevant for the unemployment debate: on the one hand, as announced by George Osborne, it entailed a massive layoff of public employees in different branches as a consequence of the overall budget reduction. On the other hand, the intended welfare spending cuts amounting to no less than 7 bn pounds a year were to apply especially to housing facilities and child care allowances. The Child Benefit entitlement conditions were to change from being almost universal to relying on a strict means test. For what concerns the welfare state, the spending review framed the cuts as 'fairness for the future' and stressed the need to reduce the welfare state dependency culture. In fact, it argued that the welfare state locked too many families into such a dependency cycle (HM Treasury 2010a: 26-27), while failing to provide chances/services, which could stimulate individual initiative and social mobility. Furthermore, the Department of Work and Pensions (DWP) stressed the need to prevent fraud or payment errors, while supporting those, who

were really in need. This 'fairness agenda' implied a massive restructuration in public service delivery that was to be addressed by means of the 'Universal Credit' reform, which, for our purposes, can be considered an especially relevant sub-debate of the more general debate on the spending review.

Ian Duncan Smith's speech 'Welfare for the 21st century' on May 27, 2010 and the corresponding white paper 'Universal Credit: welfare that works' further specified the government's intentions. The *'Universal Credit' reform* implied an extensive and far-reaching re-organisation of the British welfare state system. By means of the so-called 'Work Program' the British government intended to tighten the work-conditionality for benefit recipient and to re-introduce people into work in a more efficient and swift manner. Substantial savings were expected to result from the decentralization and privatization of the benefit and service provision (HM Treasury 2010b). This specific reform project was linked to the more general debate insofar as one part of the agreed upon debt reduction within the framework of the 'Spending Review' were to be borne by the DPW by means of the 'Universal Credit' reform. The plan was to reach an overall budget reduction of 26 per cent by 2015 in the Department for Work and Pensions (DWP) (HM Treasury 2010c). These economies were to be achieved mainly through the elimination of fraudulent benefit claims and unnecessary benefit payments, as well as by the overall restructuring of the welfare state benefit provision system (privatisation and decentralization).

From September to October 2010 the DWP gave political stakeholders the opportunity to position themselves with respect to the planned reform. The plans of the Department for Work and Pensions were then made explicit on November 11, 2010 with a second speech by MP Smith (Smith 2010a and 2010b; DPW 2010a[13]). This announcement was followed by violent student protests in London. The motive of these protests and clashes were mainly the increasing tuition fees and the spending cuts

[13] After this speech the interested service providers were invited to tender for collaboration in the public sector in. In January 2011 the tender were published.

(Hurst/Pitel 2010). In a second step, the welfare reform bill was introduced to parliament on February 16, 2011 (HC bill 197). Some goals of the welfare reform were already set (Watson 2010). The centrepiece of the 'Universal Credit' Reform was the so-called '*Work Program*', which was to be introduced in summer 2011 (DWP 2010d). The Work Program aimed at reforming the welfare-to-work program of the British government (DWP 2010d).

The "Universal Credit" was a far-reaching reform that included all working age benefits in the United Kingdom. The associated debate dealt with the problems inherent in the British welfare state, which was considered to be too complex, abuse and dependency prone. Also, the insufficient and ineffective education schemes were to be addressed by means of this reform. During the period covered by our study, the government above all expressed its intention, while the opposition or the unions still waited for the specification of the measures to be implemented before commenting on them. During the debate in our observation period, the accent was put on stimulating individual responsibility and promoting work with a Work-first approach, which, as broadly assessed in the literature (Taylor-Gooby and Stoker2011; Taylor-Gooby and Larsen 2005 Daguerre 2007; Trickey 2001 and Trickey and Walker 2001), was considered to be the only reasonable measures to reduce welfare dependency. Another central point was the need to contain public spending, simplify public service delivery, and eliminate benefit overlaps, increase efficiency and transparency. Finally, all these measures should reduce the poverty-trap effect welfare benefits are declared to imply.

The 'spending review' debate has been rather intense since the announced cuts were important. With respect to the welfare reform the debate was to become more intense only once the details of the reorganization were to be announced. At the time of our study, the reform intentions of the government were presented matter-of-factly and the opposition expressed its discontent in general terms. The only exception concerns the students, whose protests came quite unexpectedly.

Conclusion

This detailed discussion of the national debates related to unemployment in our six countries during the period under investigation shows that only in one of our countries, these debates were related to a major policy reform, a true punctuation of the routine policy process. This case is the UK, where the incoming government presented a major, encompassing program to reform government activities, which crucially involved the reorganization of the welfare state in general, and of unemployment programs in particular. In Denmark and Germany, the labour market policy debate was also related to policy reforms during our period, but these reforms were of a more limited scope. While not routine, they still constituted only minor modifications of the big programs that have been introduced in the past – activation policy in the Danish case, and Hartz IV in the German case. Given their more limited scope, the public debates on unemployment during the period of our investigation were less centrally focused on these two reform projects. Interestingly, while the German reform was an endogenous result of the policy process, the Danish reform was largely initiated by the mobilization of public opinion by the Danish media.

In two countries, there were no relevant unemployment-related policy debates during the period under study: in Switzerland, the referendum campaign on the reform of the unemployment insurance had just taken place before our investigation period, and the great debate on the strength of the Swiss franc and its consequences for the Swiss economy was still to come. In France, the pension reform had temporarily crowded out all other policies from the public sphere. Finally, in Italy, the major public debate on an unemployment related issue was not on public policy, but on the strategic decision of a key firm, which triggered an attempt of the unions to expand the conflict to the public sphere. The educational policy reform was only obliquely related to the issue of unemployment.

To conclude, Table 7 shows the public debates about which we interviewed our policy-makers in the six countries.

Table 7: Aspects covered in the interviews with respect to the issue specific debates in fall 2010, per country

Aspects covered	DK	CH	D	F	I	UK
Events	Activation & youth	Dismissals	Hartz IV	Youth	FIAT & education	CSR & universal credit
Arguments	Activation & youth	Dismissals	Hartz IV	Youth	FIAT & education	CSR & universal credit
Discourse quality	Activation	Dismissals	Hartz IV	Youth	FIAT	Univ. credit
Populism	Activation	Dismissals	Hartz IV	Youth	FIAT	Univ. credit

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CHAPTER 3

Defining the two sides of the coin:

Labour market policy conflicts and coalitions in six western European countries

Chapter authored by: Flavia Fossati

Introduction

In the last decade, labour market policy reforms have been in the focus of scholarly research because they are the primary instruments used to achieve an encompassing restructuration of the European welfare and production regimes. Scholars such as Bonoli and Natali (2012) argue that these reforms transformed welfare states from being (passive) securing arrangements towards schemes which promote (active) labour market participation (Torfing 1999; Gilbert 2002). In fact, these activating measures seem to meet the social need structures (Bonoli 2006) that have arisen as a consequence of the changing economic context and which are characterised by phenomena such as labour market tertiarisation (Iversen and Wren 1998), shifts in social structures (ageing and feminisation of the labour markets) (Esping-Andersen 2009) or the growing shares of unemployed, precarious and atypical workers (Berton, Richiardi and Sacchi 2009). The problem pressure of the post-industrial production environment and in particular the context of permanent austerity (Pierson 1996) limits government's ability to rely exclusively on decommodifying passive benefits or employment protection legislation to reduce unemployment. Hence, alternative solutions had to be found. Most European welfare states reformed their unemployment schemes by introducing active labour market policies (ALMPs). These "novel" strategies aiming at improving the efficiently and the long-lastingness of workers' re-commodification diffused all over Europe because supra- and international organisations, such as the Organisation for Economic Cooperation and Development (OECD) or the European Union with the European Employment Strategy (EES), and networks of political elites proposed these strategies as viable alternatives to a mere "race to the bottom" (Casey 2004; Daguerre 2007; Taylor-Gooby and Daguerre 2004).

In the light of this "activation turn" (Bonoli 2010), the question arises as to whether the political conflict in labour market policy is becoming *multidimensional* and hence no longer revolve only around the labour/capital conflict over the level of passive benefits. Following authors such as Bonoli and Natali (2012) or Häusermann (2010a), who reached the conclusion that in several social policy areas preferences are becoming increasingly multidimensional and at times leading to "modernising" reforms and novel political coalitions, the present chapter analyses whether the conflict in labour market policy is still structured along the traditional policy conflict opposing *state* and *market*[14], or whether as a result of the changing social needs the conflict dimensions are pluralised too. First, this chapter analyses how many dimensions structure the labour market conflict and whether, as argued in the literature, an additional conflict related to the *re-commodifying* and *activating* strategies can be identified.

Second, the question of whether different labour market regimes or countries are characterised by *similar* or *different* national policy conflict structures is addressed. While authors such as Handler (2003 and 2004) or Jessop (1993) argue that the workfare model introduced in the US diffused and influenced European policy-making (Deacon 2000) leading to an overall convergence of policy schemes, the representatives of the power resources and of the Varieties of Capitalism (VoC) literature stress the persistence of national divergences (Esping-Andersen 1990; Taylor-Gooby 2005; Bonoli 2006; Thelen 2012). In fact, it is plausible that even the introduction of similar activation schemes in different countries may lead to different outcomes due to their interaction with pre-existing institutional settings. Thus, these authors claim that, depending on the welfare state *legacies*, the stakeholders in different contexts can be expected to prefer and prioritise (i.e. allocate higher salience) to specific reform measures or policy mixes to face the current challenges.

[14] Here I use *economic* and *state/market* conflict synonymously.

I propose a theoretical framework that reconciles these different strands in the literature by arguing that, on the traditional *state/market* conflict dimension, the political elites feature the same political conflict structure in all six countries.

This should be the case because especially during periods of crisis politicians, independently of their ideological position or the specific legacies, are less likely to propose measures increasing welfare expenditures. Accordingly, the political conflict on the state/market axis can be expected to be homogeneous even across different countries/regimes. Conversely, I expect that the elites' views differ on the second (and more recent) political conflict about activation, which is recognised as a low-cost and employer-friendly alternative, depending on the particular labour market configuration.

Finally, since the conflict dimensionality is determined by the actor configuration in the political space, policy *coalitions* will be analysed in detail for the different labour market regimes. The focus of this chapter is on assessing the configuration of *objective* coalitions (Ossipow 1994). Objective coalitions are composed of political actors who share similar policy preferences and similar belief systems, but do not necessarily cooperate with one another (Sabatier and Weible 2007). In another chapter of our joint book, Bernhard (Kriesi et al. 2013) will complement the present analysis and focus on the actual cooperation patterns, i.e. the *subjective* coalitions, which can deviate from the coalition dynamics based on preferences because of strategic considerations and issues or debate-specific alliances.

To answer these three research questions (two-dimensional structure, similarity/difference and coalition patterns) the theoretical argument will be developed in five steps: first, I will explain why it can be expected that the general structure of the labour market-specific political space is composed of more than one basic political conflict. Then, the explanatory model will be presented. Following Thelen's (2012) re-theorisation of the VoC approach and considering the differences in problem pressures and welfare state legacies, I develop expectations about the factors influencing the regime-specific political

preference structure. Third, I test the hypothesis about the two-dimensionality of labour market-specific conflicts by means of a factor analysis and show that *two* political conflicts can be identified. The first conflict deals with traditional labour market policies (state/market) and the second with policies targeting the new social risk structures (activation). Fourth, I develop expectations about the coalition structure that characterises the political conflict structure and analyse the regime-specific actor constellations. In particular, I assess whether stakeholders belonging to the same party family or actor group favour the same political measure-mix in the different countries. The final section concludes, summarising the findings.

Theory

The conflict in labour market policy: the economic and the activation dimensions

Traditionally, the main political conflict in social policy in European countries is represented by conflicts concerning the generosity and universality of *passive benefits*, as well as the role and degree of state intervention (Esping-Anderson 1990; Kitschelt 1994). It goes back to the general conflict between labour and capital, which structured the modern party system (see Bartolini 2000; Lipset and Rokkan 1985 [1967]). One of the first authors to link this political conflict and the relative distribution of power (resources), explicitly to explain differing *social policy* developments in different countries, was Korpi (1980, 1983). He argued that, depending on the mobilisation of unions and their structure (split/unified) and labour/left party incumbency in government, social policy differed from one country to the other. Hence, the basic political conflict in social and labour market policy can be synthesised by an axis opposing on the one side *state*-interventionist and on the other *market*-oriented policy solutions. In

more detail, left policy positions, which are proposed for instance by social-democratic parties and unions, promote generous unemployment and pension benefits, universalistic insurance models, public job creation or minimum wage regimentation, with the aim being to insure (blue-collar) workers against the traditional industrial labour market risks. Furthermore, left political actors insist on the necessity of introducing or expanding universalistic welfare state efforts to lower social stratification by mitigating market distortions (Esping-Anderson 1990). Conversely, market solutions promote a reduction in state intervention and passive unemployment spending, abolishing minimum wages or liberalising and flexibilising labour relations. Political actors on the right hence support measures that do not alter the original social stratification, which do not interfere with the labour market mechanisms, and which oppose an overly universalistic and redistributive welfare state.

I maintain that, today, this straightforward political conflict about more or less state intervention and generosity is no longer able to accurately capture the preferences and hence the political contention in labour market policy, because the occupational structure (Oesch 2006; Kriesi 1998), the needs (Bonoli 2005) and, thus, the political preferences (Rueda 2006) of the labour force have dramatically changed and pluralised. In fact, generous insurance benefits (unemployment or pension) serve foremost the workers in standard employment relations who reach the necessary contribution payments, while they represent suboptimal protection for the increasing share of non-standard employed workers (Bonoli 2006). Labour market outsiders such as employees with a non-continuous work biography or women with caring duties working part time encounter difficulties in reaching the necessary contribution years to be entitled to full pension or unemployment benefits. The "new" risk structures which have arisen in a context of reduced steering capacity of governments preclude the possibility of meeting these needs simply by increasing the decommodification efforts. These challenges have hence led to a partial change in the welfare state paradigm (Bonoli and Natali 2012: 1–4) and highlight the necessity of focusing not only on the traditional risk structures but on expanding and accommodating those social needs which

develop as a consequence of the tertiarised, post-industrial labour markets (Bonoli 2006; Rueda 2005; Taylor-Gooby 2005). In fact, as a consequence of rising structural unemployment (Ebbinghaus 2006), the most pressing purpose of modern welfare states is to *re-commodify* workers (Bonoli and Natali 2012). Social investment measures (Gingrich and Ansell 2011; Morel, Palier and Palmer 2012), and more specifically *activation* policies, are the strategies which prevail in the most recent welfare state reforms all over Europe, starting with the third-way programmes (New Deals) under Labour in the UK (1997) (King and Wickham-Jones 1999), the recently introduced Universal Credit (DWP 2010; Smith 2010) or the Hartz IV legislation in Germany (Fleckenstein 2008).

Overall, activation measures constitute a remedy for the advancing liberalisation of labour markets, because they are judged not only to be effective in reducing unemployment but also less expensive (Giddens 1998; Jensen 2012; Morel, Palier and Palmer 2012). However, these novel social policy strategies are likely to change people's underlying political preferences and hence influence the conflict dimensions in labour market policy.

Labour market conflicts: Similarity or difference between regimes?

I suggest that all six countries included in our sample can be characterised by a two-dimensional conflict structure that includes a state/market and pro/contra activation expansion axis. There are several different reasons why activation policies may be contested. First, these may be subject to debates in countries with high problem pressures or which have suffered most from the recent crisis (dualising countries and the UK) and who want to implement such strategies; however, activation schemes may be contested as well in countries which already use such policies. In the flexicurity countries activation schemes are already implemented but the political conflict might revolve around issues such as

expanding or reforming the current institutions. By consequence, the question which arises at this point is rather whether these challenges and reform pressures give rise to similar or different conflicts in the various regimes. In fact, in the scholarly literature different activation types are identified (Barbier and Ludwig-Mayerhofer 2004; Bonoli 2010; Daguerre 2007). Accordingly, it is plausible that the conflict structure is country specific and depends on the labour market regime legacies, the problem pressures and the elites' ideas about what kind of activation "orientation" in best suited to solving the national challenges.

This particular research question can be embedded in a broader scholarly debate, which focuses on whether welfare state policies are converging on a neoliberal trajectory or diverging in country-specific pathways. This discussion can be traced back to Scharpf (1981), to the Power Resources Approach (Esping-Andersen 1990) or to the VoC literature in the 2000s. However, so far no general consensus has developed about whether these reforms lead to an overall *convergence* in policy solutions or whether *path-dependent* solutions prevail. Authors such as Handler (2003 and 2004), Gilbert (2002) and Jessop (1993) identify a clear-cut *convergence* of the European countries towards the US workfare model because of a generalised diffusion of coercive activating policies. Similarly, authors such as Ferrera and Gualmini (2004), Graziano (2007) and Bertozzi and Bonoli (2002) argue that we assist at a (partial) *integration* of supranational guidelines, especially those developed by the European Employment Strategy (EES), into the national unemployment policies. These authors suggest a kind of "European convergence route". By contrast, authors such as Esping-Andersen (1990 and 1996) and Clasen and Clegg (2011) insist on the *diversity* of national responses to the upheavals in the economic and productive structure. This strand of the literature stresses the importance of considering policy legacies and path-dependencies when discussing recent labour market or unemployment reforms.[15]

[15] Koistinen and Serrano (2009) distinguish a fourth literature strand, which argues that convergence depends on the

In labour market policy, the country-specific differences in the Active Labour Market Policie (ALMP)[16] arrangements become evident when analysing their particular composition instead of merely measuring the *resources* invested in activation policies, as proposed instead by Gallie and Paugam (2000). In fact, while these authors propose to characterise welfare state regimes in terms of the percentage of Gross Domestic Product (GDP) invested in the activation measures, which of course is a very crude measure for any kind of welfare performance as argued by Green-Petersen (2004), following Barbier and Ludwig-Mayerhofer (2004) "activation" policy can be characterised depending on the strategy these pursue to re-commodificate unemployed workers. The authors distinguish between typically Nordic activation measures focusing on enhancing the human-capital resources of the individual unemployed person and the liberal variant, which instead is characterised by so-called workfare or work-first measures, which stress the need to swiftly re-introduce workers to the labour market principally by means of (negative) incentives and sanctions. An even more sophisticated theoretical approach to differentiating activation policies is proposed by Bonoli (2010), who distinguishes these measures depending on: i) the degree of human-capital investment; and ii) their degree of "pro-market employment orientation". Overall, he discerns four different activation strategies: the occupational, the incentive, the assistance and the up-skilling models[17]. Similarly to Barbier and Ludwig-Mayerhofer (2004), Bonoli (2010) argues that in the

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dimensions of the analysis, as for instance policy field (see Hinrichs and Kangas 2003 for pension reforms). This last distinction was deemed less relevant in the context of this contribution, which clearly focuses only on one policy field.

[16]The analytical distinction which captures the characteristics of the political conflict characterising the different labour market regimes across Europe was already developed for unemployment policy by Gallie and Paugam (2000). The authors classify countries and policy measures according to three policy variables: 1) the amount of coverage; 2) the level and duration of the coverage; and 3) the overall share of ALMPs. In these terms, however, their classification results in an amplification of the model proposed by Esping-Anderson (1990) and Ferrera (1996) because "activation" is used just as an additional criterion to characterise the "generosity" of the four welfare states.

[17] The first ideal type is the *occupational* model, which comprehends policies such as the creation of job schemes in the public

Anglo-Saxon countries incentive reinforcement policies were preferred. These measures, which are also known as "workfare" policies, aim at increasing the conditionality so as to prevent welfare state dependency, but contemporaneously keep the efforts of human-capital investment rather low. In the Nordic countries, the policies are instead in line with the social investment framework, i.e. "up-skilling" and employment assistance schemes are implemented (cf. Jensen 2012). Finally, Bonoli argues that in the continental welfare states "occupation"-oriented ALMPs were introduced in the 1980s and 1990s, which focused on keeping the unemployed busy while failing to invest in their skill profiles. Daguerre (2007) makes a similar argument when summarising Barbier and Ludwig-Mayerhofer's (2004) discussion of a possible continental ALMP scheme. In her understanding, these continental ALMPs focus on maintaining the social networks of the unemployed.

Critically assessing this typology, it must be noted however that the characterisation of the continental activation type is rather vague and tentative. Overall, the most important insight given by this regime-specific distinction of activation schemes is that activation (as welfare state performance in general) should not be differentiated simply based on the monetary effort, as suggested by Gallie and Paugam (2000), but that, depending on the prevalence of the priorities, rather different activation schemes may emerge.

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sector and which is characterised by a low "pro-market employment orientation" and weak human capital investment. The other three categories share a high pro-market employment orientation but diverge in terms of human capital investment. Measures to reinforce the *incentives* to re-enter the labour market swiftly without investing in the skills of the unemployed encompass, for instance, time limits on recipiency, benefit reductions and increased conditionality on passive benefits. Furthermore, there are measures with a medium level of human capital investment, which are meant to *assist* the unemployed while looking for a job, by means of counselling services, job search programmes or job subsidies. Finally, there are *up-skilling* policies, which combine a high pro-market employment orientation and a high degree of human capital investment. Such measures principally involve job-related vocational training measures.

In light of this scholarly discussion about (partially) diverging or converging national pathways, I would like to test whether the political *conflict* is the same in each country, i.e. whether the preference structure of both the state/market and the activation axis is the same across countries or whether (one or both) conflicts differ in line with the divergence literature. In fact, based on the activation literature it is plausible that the second conflict axis differs between countries depending on the ideological "orientation" and hence on the concrete arrangement of activation measure combinations.

In the following sections I first give a brief description of the operationalisation strategy and the methodology I use to analyse whether the political conflict in labour market policy is characterised by more than one dimension. Then I present the result of the regime specific factor analyses and present the models, which underpin my expectations that the political conflict is indeed two-dimensional. According to the expectations I am able to show that the different regimes are characterised by different activation axes and hence underpin the point made by the literature on labour market divergence. In a final step I turn to the third research question and theorise on the actor coalitions and on whether these are similar or differ between regimes.

Operationalisation and methods

The present analyses rely on semi-structured telephone interviews with the major policy-makers[18] who are active in the domain of labour market policy, i.e. parties, unions, state bodies, administrations and social movement organisations (SMOs).[19]

[18] For the response rate by country of the 161 actors we originally contacted in the six countries please refer to Table 13. In the present analysis I rely exclusively on the data collected in the first of the two interview rounds of our elite surveys. In total we

To operationalise the conflict structure I rely on questions about the political actors' preferences with respect to policy measures and their assessment of the relative importance of these measures. I selected those items for our questionnaire that are theoretically best suited to capture the economic dimension (state/market) and the different activation models (Nordic, liberal and occupational). I also paid attention to choosing those items which best allow discrimination between the different actors' positions, i.e. which have the largest possible variance. I hence excluded items which were too generally formulated to capture specific labour market preferences (such as "social inequality should be reduced") or uncontested items (such as "solidarity with the unemployed should be increased") and which accordingly do not represent a political *conflict*.[20]

Overall, I selected nine measures related to labour market and unemployment benefits to define the preference structure (see Table 8).

To operationalise the economic conflict, I selected three indicators which capture the *generosity of passive benefits* and the degree to which the state engages in regulating social policy. The first item

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were able to obtain 125 interviews in October 2010 (first round) and 118 in December 2010 (second round). We encountered severe difficulties in obtaining interviews in Italy and the UK. In particular we were able to reach just one employers' organisation in Italy (even though the most relevant one) and had no opportunity to speak to a representative of the administration in the UK. In contrast, in Switzerland and in Germany the political actors were very cooperative and we faced no problems in scheduling interviews at all. Finally, in Denmark and France we encountered problems in particular with representatives of public administration, right-wing parties and employer's associations. For a list of the actors who actually participated in our telephone interviews please refer to Table 14 and Table 15 in the Appendix.

[19] Interview partners were chosen as representatives of the major decision-making organisations who are experts on the field of unemployment policy within the specific organisations. The relevance of the organisations included in the analyses was cross-checked with two experts per country and validated by means of media analyses; see Kriesi (2013a).

[20] For more details on the descriptive statistics and correlation tables, see Table 17 to Table 24 in the appendix.

refers to the creation of jobs by the state[21]. Especially in continental welfare states but also in social-democratic countries, the expansion of public employment is a way of preventing unemployment and is associated with a leftist position and with generous assistance to the unemployed. The second item deals with the application of a sanctioning mechanism "in case an unemployed person refuses a job which is deemed appropriate". Admittedly, this indicator might also be considered to pertain to the activation dimension, since non-compliance with the activation requirement is most often sanctioned by monetary disincentives, for instance by freezing or reducing the cash transfers (Clasen and Clegg 2011; Kemmerling and Bruttel 2006; Trickey and Walker 2001). I consider, however, that this item is mainly operationalising the generosity of benefits. The third item refers to "raising the minimum wage", which corresponds to a state-led intervention to guarantee decent living standards to workers (prevent in-work poverty).

To operationalise the *market orientation* of the first dimension, I have two items which capture preferences for retrenching passive benefits ("reduce unemployment benefits" and "increasing sanctions when an unemployed person refuses a job which is deemed appropriate"). Furthermore, there are two items which operationalise preferences for lower and more flexible employment protection ("loosening of the hire and fire legislation" and "increasing working-hours flexibilisation").

[21] For the exact question wording, see Table 16 in the appendix.

Table 8: Operationalisation of the conflict dimensions characterising labour market policy

	State	**Market**
1. Conflict dimension: the economic conflict	1) The use of state programmes to create jobs (statejob) 2) Raising the minimum wage (minwage) 3) Tougher sanctions for those who refuse to accept an appropriate job (sanction)	4) Reduction of unemployment benefits (reducbenef) 5) Flexibility of working hours (workhours) 6) Loosening of hire and fire legislation (hirefire)
	Pro activation	**Contra activation**
2. Conflict dimension: the activation conflict	**Type 1: Human-capital activation** 7) More retraining possibilities for the unemployed (training) 8) The promotion of short-time work (shorttime) **Type 2: Occupational activation** 9) Promotion of labour market reintegration (reintgr)	(Same items)

With the available data I am able to operationalise two activation strategies. The human-capital activation type is operationalised by two items referring to the promotion of skills: the promotion of (re)training programmes and the promotion of short-time work, a measure for preserving/retaining human capital within a firm (Sacchi et al. 2011, Estevez-Abe et al. 2001, Thelen 2001). The second activation type mostly relies on the swift reinsertion of the unemployed along the lines of the "occupational" model (Bonoli 2010), and is operationalised by one item referring to labour market "reintegration".

The dimensionality of the political space is analysed by means of an exploratory factor analysis including the nine items shown in Table 8 above. For each item, I constructed an indicator which takes into account both the actor's *position* on a given measure and the *salience* of the measure for the actor. The combined indicator was developed by multiplying standardised salience and position for each actor. This strategy, which involves weighing position by salience, gives less weight to positions on measures which

the actor considers irrelevant and allows for capturing the most significant conflicts in labour market policy. In fact, while political actors tend to have a stance on all issues, they may judge them differently in terms of relevance. To capture the fundamental political conflicts it is hence pivotal to focus only on those issues which are salient. An actor's position on a given policy measure is gauged on a scale ranging from 1 to 5 (strongly disagree–strongly agree). For the operationalisation of a measure's salience, we asked our respondents to indicate the most important measure on the list we submitted to them, the three most important measures, and the three least important measures. The resulting salience indicator allocates three points to the most important measure, two points to the other two important measures, zero points to the three least important measures and one point to the remaining ones. Finally, an exploratory factor analysis[22] was run and the solutions were rotated orthogonally (varimax rotation). The non-governmental organisation Attac Germany was excluded from the analyses because it proved to be an outlier in the pooled model, which includes the actors of all six countries. Since this organisation is only of minor importance in this policy domain, its exclusion seems to be legitimate.

To assess the stability of the actor constellation, two different types of checks were run. First, instead of including all types of actors, the analyses were re-run with the parties and the social partners, i.e. unions, employers' associations, and state bodies. These actors are deemed to be the most influential players and hence can be expected to decisively shape the labour market policy conflict structure. Moreover, the analyses were performed without issue salience weightings. In these additional analyses, the actor constellations were found to be acceptably stable both with the reduced actor sample and with and without weighting by salience.

[22] Missing cases were recoded as neutral both in position and salience; fortunately they only represent between 2 and 5%.

Analysing the structure of the labour market policy space in six western European countries

The pooled analysis shows that when including all 124 political actors (with the exception of Attac Germany) in a single model, the nine items load on two distinct factors, as highlighted in bold in Table 9.

Factor one is the economic factor (state-market), while factor two is the activation factor. On the economic dimension, the state-orientation is clearly captured by the items "increasing the minimum wage" and "increasing efforts in public job creation", which load negatively (both with -0.64). The *market orientation* (positive scores) of the economic dimension is instead defined in terms of increasing the "sanctions" (0.62) in the event that an unemployed person refuses an appropriate job and in terms of the reduction of passive unemployment benefits (0.61). Also, the items which capture the degree of job protection, i.e. "flexibilising of working hours" (0.57) and "loosening of hire and fire legislation" (0.45), load rather weakly on factor 1 and hence seem to be overall less relevant than other items in determining the political conflict in labour market policy.

Table 9: Pooled factor analysis (all countries)

Items*	State/market factor 1	Activation factor 2
Sanction	**0.62**	0.06
Reduc. benefit	**0.61**	0.04
Work-hours	**0.57**	-0.21
Hire-fire	**0.45**	0.00
Minimalw	**-0.64**	0.16
State job	**-0.64**	0.20
Training	-0.29	**0.41**
Short-time	-0.02	**0.36**
Reintegration	-0.08	**0.36**
Eigenvalue	2.18	0.54
Expl. var.	88.58	12.75
N	124*	124*

*Attac Germany was excluded from the sample

As expected, the activation factor involves the items "increasing (re)training efforts" (0.41), "short-time work regulations" (0.36) and "(re)integration of unemployed in the labour market process" (0.36). However, in the pooled analysis this second factor has an eigenvalue conspicuously smaller than one and hence should not be considered an independent underlying factor. As described in the next section, this finding can be explained with reference to the big differences in activation schemes, which become visible in these analyses by means of the different *combinations* of variables that comprise the second factor in the different regimes. In other words, on the activation dimension I find *functionally equivalent* policy conflicts. Accordingly, as expected by the convergence literature, there seem to be *similar* preferences across countries on the economic axis, whereas the second conflict *differs* in terms of preference structure. At this point it is useful to have a detailed look at the regime-specific labour market policy conflict structure.

In Table 10 and Table 11, the results of the regime-specific factor analyses are presented. I distinguish between the three regimes that were introduced in Chapter 2 – flexicurity (Denmark and Switzerland), dualisation (Germany, France, and Italy) and deregulation (UK). In Table 10, the loadings of the items on

the economic factor (state-market) are shown, while Table 11 presents the results for the second factor, which deals with activation policies. Overall, the results, which are underpinned by the country-specific analyses,[23] show that in all regimes/countries an economic and an *activation* axis exist. Thus, it can be concluded that the political conflict in these six western European countries circles around two types of strategies to organise labour markets and to fight unemployment. However, even though in all regimes this two-dimensional structure clearly appears, it also becomes evident that, on the second dimension in particular, the *precise* conflict configuration has to be assessed separately for the flexicurity, the deregulation or the dualisation type.

[23] See Table 25 and Table 26 for the country -specific solutions. The country specific analyses underpin the findings for the regime-clusters and show that in all countries a state/marke and an activation dimension exist. The country-specific analyses unveil that the conflict structure is rather similar for the countries belonging to the same regime, even though smaller deviations, in particular for Germany appear. However, the robustness checks in Table 25 and Table 26 legitimise the distinction in three labour market policy regimes rather well.

Table 10: The economic factor by regime: state versus market

	Flexicurity	**Dualised**	**Deregulated**
Items	Denmark and Switzerland	Germany*, France and Italy	UK
Sanction	**0.52**	**0.58**	**0.89**
Reducbenef	**0.71**	**0.51**	**0.85**
Workhours	**0.46**	**0.71**	**-0.41**
Hirefire	**0.46**	**0.55**	**0.38**
Minimalw	**-0.53**	**-0.76**	-0.39
Statejob	-0.31	**-0.72**	**-0.68**
Training	-0.11	-0.30	**-0.27**
Shorttime	0.00	0.20	-0.05
Reintegr	-0.09	-0.02	-0.13
Eigenvalue	2.12	2.71	2.52
Expl. var.	60.45	81.09	50.88
N	40	67	16

*Attac Germany was excluded from the sample

Turning to the details of the findings summarised in Table 10, in all three regimes the items "increasing sanctions", "reduction of benefits", "flexibilising working-hours", "hire-and-fire regimentation", "increasing the minimum wage" and "investing in public job creation" determine the state/market factor, except for the fact that in the UK "minimum wage" pertains to the activation axis. Furthermore, the results indicate that the state/market dimension is above all defined by the variables "investment in public job creation" (statejob), "increasing the minimum wage", "reductions of benefits" and "increasing sanctions for unemployed", as indicated by their rather high loadings. The variation on this first conflict dimension in the three different regimes is minimal, and concerns only the magnitude of the loadings. In more detail, while in the flexicurity countries "reduction of benefit" (0.71) is the most important item for the market orientation, in the dualised countries it is the flexibilising of working hours (0.71). In the UK, it is the sanctioning of unemployed people who refuse to accept an appropriate

job (0.89). In both the flexicurity and the dualised regimes "increasing the "minimum wage" (-0.53/-0.76) is the best indicator for state interventionism, whereas in the UK it is the "introduction of state jobs" (-0.68).

Table 10 also reveals another interesting finding: the conflict structure in the UK seems to be rather similar to the one present in the dualising countries. This can be explained to some extent by reference to the similarity of the problem pressure. In fact, the increasing dualisation of labour market insiders and labour market outsiders is a weighty problem in both regimes and hence, even though the regimes are different, the most salient policy measures seem to coincide.

In sum, even though the composition of the economic factor shows some minimal regime-specific peculiarities, it can be nonetheless stated that a convergent political conflict structure results, which opposes a generous and state-interventionist position, captured by either an increased effort in public job-creation schemes or generous minimum wage regulation, and a market-oriented labour market regimentation defined by lowering the generosity or increasing the conditionality of passive benefits.

Table 11: The activation factor by regime: pro and contra activation

	Flexicurity	**Dualised**	**Deregulated**
Items	Denmark and Switzerland	Germany*, France and Italy	UK
Sanction	-0.23	-0.09	0.19
Reduc. benefit	-0.07	-0.26	-0.12
Workhours	-0.33	-0.13	-0.35
Hirefire	0.03	-0.16	-0.31
Minimalw	0.22	-0.05	**-0.57**
Statejob	**0.61**	-0.02	0.26
Training	**0.48**	**0.40**	-0.18
Shorttime	**0.59**	0.35	**0.24**
Reintegr	0.22	**0.66**	**0.77**
Eigenvalue	1.21	1.95	1.35
Expl. var.	45.66	25.84	27.25
N	40	67	16

*Attac Germany was excluded from the sample

While the results for the economic factors show similarities among the different regimes, the story for the activation dimension (Table 11) is one of regime-specific difference.

In the flexicurity countries the political actors can be either for or against an increased activation effort. As the empirical analyses show, the key issues on this factor are "increasing public job creation" (0.61), "short-time work expansion" (0.59) and "training" (0.48). This combination of measures rather clearly mirrors the strong human-capital orientation of the flexicurity regimes, which prioritises high state effort in terms of educational investment and the preservation of skills, for instance by means of short-time work. By contrast, in this labour market regime "reintegration" and hence an occupational-oriented activation results to be quite irrelevant, with a negligible loading of 0.22.

The lower salience of reintegration policies in these countries can be explained by the overall rather low problem pressure (see Kriesi 2013). In fact, during our debate period in Switzerland, a few mass-

dismissals occurred and were acknowledged as marginal events in the national press, whereas in Denmark it was just some suboptimal training programmes for the unemployed that were the cause of some debate. However, none of these themes reached more than anecdotal relevance, especially when compared to other European countries where the economic crisis hit the labour market severely and dismissals were an almost daily occurrence. Moreover, the dualisation problem is of marginal importance in the flexicurity countries, not least because of the low unemployment rates and of the good performance of the activation schemes. Accordingly, the political conflict on the activation axis, rather than revolving around the question of how to reintegrate unemployed persons into the labour market, focused on the question of whether it is necessary or not to introduce (additional) short-time schemes to prevent firms from losing their highly skilled collaborators and hence their know-how (Sacchi, Pancaldi and Arisi 2011).

Finally, public job creation is also a salient issue in flexicurity countries. The controversy about this issue is not so surprising either because the state already effectively and efficiently regulates the labour markets. Especially in Switzerland, public job creation and state effort more generally encounter resistance from a strong market-liberal coalition and therefore this is a salient political issue. Hence, in Switzerland and Denmark the activation conflict refers on the one hand to the question of whether it is necessary to increase the state effort to introduce additional activation policies. On the other hand, a specific emphasis seems to be put on the retention of skills and retraining, not least because short-time schemes are often also combined with additional training requirements.

A different picture emerges in the dualising countries Germany, France and Italy, where the most important determinant of the activation axis is "reintegration into the labour market" (0.66), followed by "training" (0.40) and, only in the last place, short-time work (0.35). Unlike in the flexicurity countries, where the debate focuses on the pros and cons of increasing state effort to retain the skilled workforce

in the labour market by means of short-time measures and public job creation, in the dualisation countries the insider–outsider debate is highly salient. As a result, a heated conflict about the necessity to strengthen the efforts to reintegrate the labour market outsiders and the strategies to do so defines the conflict on the activation axis. In the dualising countries, the short-time issue is markedly less controversial. In fact, in times of crisis in these countries it has become a common strategy to face labour market challenges and especially raising unemployment figures by means of short-time work schemes (Sacchi, Pancaldi and Arisi 2011), in order to avoid the dismissal of the often only source of family income, as is typical for male breadwinner welfare systems. In the crisis that developed after 2008 the trend to expand short-time work schemes made a quantum leap. Accordingly, rather than being a conflictive issue like in Denmark and Switzerland, where it structures the political preference patterns, short-time work was a widely agreed upon measure and hence not particularly important in determining the conflict structure.

Finally, in the deregulated UK, the activation axis is clearly different from the dualised countries even though it shows a parallelism with respect to the most important item, "reintegration", which in this context clearly stands for wokfarist re-commodification measures (Barbier and Ludwig-Mayerhofer 2004). Rather surprisingly, the activation axis in the UK shows also a negative pole captured by "increase the minimum wage" (-0.57). Accordingly, the political actors are either in favour of reintroducing the unemployed into the labour market by means of workfarist reintegration policies or support an increase in the minimum wage. Thus, the activation conflict in the UK is completely different from the one in the flexicurity and in the dualisation countries. Admittedly, this conclusion is based on little information[24] and is rather difficult to interpret because it seems to link issues such as

[24] Since this country is the only representative of the deregulating system and we were able to collect only 16 interviews.

"reintegration policies" and "minimum wage schemes", which, at first sight, appear to belong to rather different dimensions. I will nonetheless try to make sense of the findings of Table 10 and Table 11.

The most plausible argument in my view is that the political conflict in this Liberal Market Economy (LME) is marked by the overall very flexible and liberal economic environment, which represents a challenge not only for the people who are already unemployed but also for those who work for low wages. In fact, as argued by Taylor-Gooby and Larsen (2005), in liberal countries the most important new social risk constellation is related to low or obsolete skills, as well as to (long-term) unemployment. Accordingly, the focus of the activation axis might in this case not be exclusively related to the needs of the unemployed or labour market outsiders, i.e. to preferences for or against increasing activation efforts, but more generally to the improvement of the situation for the precarious employees (cf. Oesch 2006), who are disproportionately at risk of being laid off or earning a poverty wage. Hence, as shown in Table 11, in the UK political actors appear to be either favourable to increasing the labour market reintegration efforts, which in this context are foremost workfarist activation policies as for instance the New Deals introduced by Labour in 1997, or they plead for an increased minimum wage,[25] as in the Spending Review announced by the conservative government coalition in autumn 2010 (HM Treasury 2011), which foresaw cuts in welfare benefits (childcare etc.). The earning losses for those workers could of course be compensated with increasing salaries. Accordingly, it is plausible that above all political actors from the left promote measures which allow compensating these losses by means of sustainable wages.

[25] Interestingly, the UK is with France one of the few countries with a minimal wage regulation (Bonoli 2007: 29), which, according to Bonoli functions as another way of insuring labour market participants instead of welfare state policies. However, in the UK the minimal wage is set at 37.4% of the full-time average earnings, making it extremely low, as compared to France with 55.3%.

In sum, whereas the structure of the economic conflict dimension is rather consistent between the different countries and is defined by the conflict over "sanction" and "work-hours" (decreasing generosity and increasing flexibility) versus "statejob" and "minimum wage" (increasing generosity), the activation factor is clearly regime specific. Its composition, however, rather clearly reproduces the classification of the countries in the three labour market regimes and in the three different activation ideologies, i.e. liberal (deregulation), human capital (flexicurity) and occupational (dualisation), and hence nicely underpins the findings of the varieties of activation literature (Bonoli 2010; Barbier and Ludwig-Mayerhofer, Torfing 1999).

Actor constellations in the labour market policy space

Hypotheses

In the following, the objective actor constellations and the differences between the coalitions in the three labour market regimes will be analysed focusing especially on the major players active in this field, i.e. parties, unions, employers' associations and the state bodies.[26] To assess the coalition structures and the placement of the actors in the policy space I rely on the results of the factor analyses. Before illustrating the actual configurations I however derive several hypotheses about the coalition patterns.

In detail, I hypothesise that four different coalitions may be identified in the field of labour market policy, depending on their preferences with respect to the economic and the activation axes.

Table 12 presents my expectations with respect to the composition of these four coalitions.

[26] See Table 14 and Table 15 for a list of the actors which were included.

Table 12: Expected coalition composition in flexicurity, dualised and deregulated labour markets

Activation dimension	**Economic dimension** State	Market
Pro activation	**MODERN LEFT** - Greens - Communists - Unions (white collar) - Social movement organisations	**THIRD WAY** - State bodies, administration, research institutes - Progressive liberals or right-wing parties
Against activation	**TRADITIONAL LEFT** - Social-democratic parties - Unions (blue collar)	**TRADITIONAL RIGHT** - Employers' associations - Conservative government parties

In the first quadrant I expect the modern left coalition, i.e. a coalition which endorses a flexicurity strategy characterised by strong passive and active labour market policy measures. The political actors favouring such solutions represent people with preferences for redistribution and strong activation effort. I expect that in particular people with left-libertarian values and labour market outsiders to be represented by actors belonging to the "modern left" (Kitschelt 1994). Libertarian people and in particular well-educated ones can be expected to endorse this policy strategy because of their professional choices. In fact, working in occupations characterised by interpersonal work-logic (Oesch 2006; Kriesi 1998) might sensitise them to the needs of unemployed and hence underpin their preferences for generous state intervention. At the same time, these (well) educated people recognise the necessity to improve the skills and re-train unemployed people to help them back into employment. I expect these left-libertarian people to be represented foremost by Green parties and white-collar unions. Moreover, I expect this modern left coalition to include also parties in the opposition (as for instance the communists) which have no government and hence budget responsibility and consequently do not fear electoral punishment for keeping high levels of welfare state effort and even increase them in the domain of activation.

In the bottom left quadrant I expect the *traditional left* coalition, i.e. a coalition focusing above all on passive benefits and job-security regulations. I expect in particular actors representing labour market insiders to be placed in this coalition. In line with Rueda (2006), it can be expected that social-democratic parties endorse pro-insider policies, particularly in the dualising countries where the insider–outsider divide is most pronounced. I expect these insider actors to favour rather strong state intervention in terms of the traditional measures to guarantee employment or earning security, and to be sceptical with respect to activation measures which focus primarily on labour market outsiders and hence do not accommodate their primary clientele. Together with the blue-collar unions, I expect them to be placed in the lower left quadrant.

The *third-way* coalition located in the top right quadrant is expected to favour increasing activation measures combined with a strong market orientation. Here, I expect to find political actors who are most likely to be influenced by the supranational consensus, which combines the neoliberal insistence on balancing the budget with the cognition that it is essential to provide labour market access and hence enable outsiders to re-enter the labour market as quickly as possible even at the cost of reducing traditional passive benefits to finance ALMPs. Overall, these third-way actors can be expected to include government authorities and public administrations, as well as progressive liberal or right-wing parties (Daguerre and Taylor-Gooby 2004; Stiller and van Gerven 2012). However, it is also plausible to assume that highly skilled workers (represented by white-collar unions), who are less likely to become unemployed, prefer a less costly welfare state and hence from a rational-choice perspective endorse reductions in welfare state effort and increasing re-commodification effort.

Finally, in the *traditional right* coalition at the bottom right quadrant I expect to find primarily employers' organisations and conservative/right-wing liberal mainstream parties, for whom the current welfare state effort is big enough and who give priority to budgetary rigour over the expansion of any

kind of welfare state benefit (Esping-Anderson 1990). As argued by Huber and Stephens (2001) in particular right-wing/conservative parties are characterised by preferences for subsidiarity and self-reliance, and hence can be expected to be against not only an expansion of passive but also of active state effort (cf. Miles and Quadagno 2002).

This fourfold coalition structure, however, is not the only conceivable option in terms of actor constellations. The recent critique of the dualisation literature discloses another possibility: a broad coalition on the left including both traditional and modernising left forces. This hypothesis is based on the evidence proposed by authors such as Emmenegger (2009), who shows that both insiders and outsiders have the same (or very similar) labour market policy preferences, or Schwander (2012) who shows that social-democratic parties do not target exclusively labour market insiders in their electoral campaigns but address also the outsiders. In the light of the inconclusiveness of these theoretical expectations I introduce a dotted line in

Table **12** which illustrates the alternative hypothesis assuming that insiders and outsiders may be represented by a single left-oriented coalition. The common denominator of this coalition would be preferences for generous state intervention, while activation policies could instead be expected to be a subject of debate.

Analysing actor constellations in the labour market policy space

The empirical findings of the actors' positioning in the issue-specific policy space, which is defined by the economic and the activation axes, are presented in Figure 4, Figure 5 and Figure 6. The coalitions,

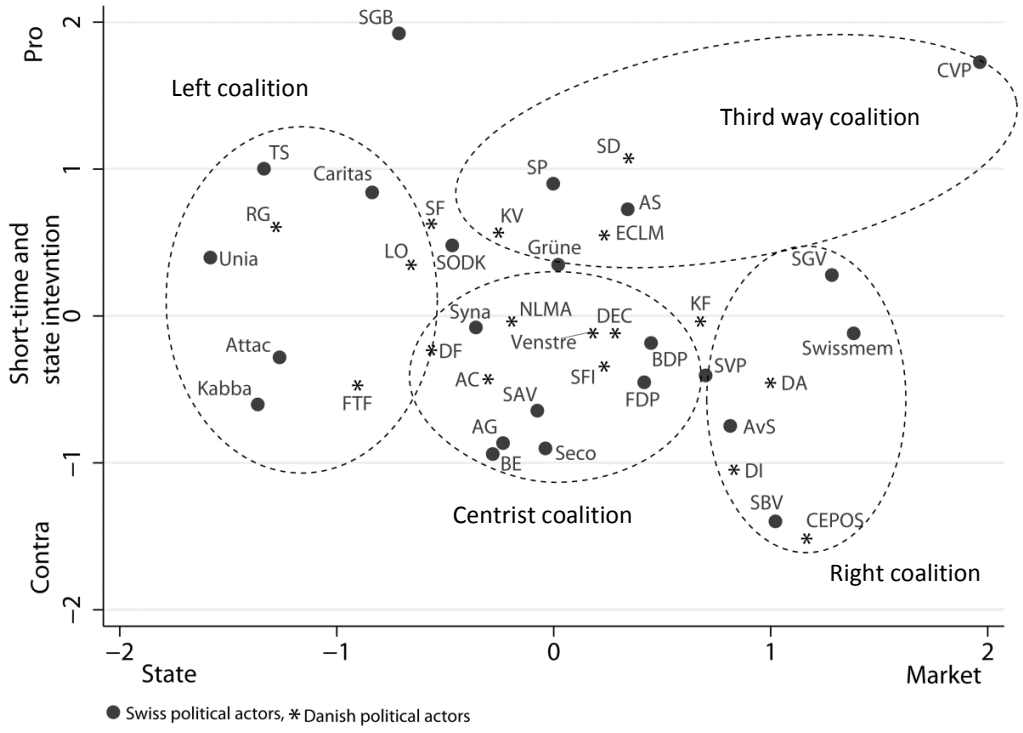
which are defined by means of a cluster analysis[27] based on the similarity of their preferences (factor scores on the state/market and on the pro/contra activation dimension), are encircled with a dotted line. The first insight that appears from these figures is that the coalitions are located slightly differently than expected by the first set of hypotheses, where I find a broad left coalitions between "modern" and "traditional" forces, which include different actors such as unions, greens and social-democratic parties.

However, when looking more closely at the composition especially of the left coalitions I find that neither of the hypothesised clusters can be fully underpinned. In fact, I do *not* find that social-democratic parties, as expected by Rueda (2006), are located in a traditional left coalition, nor do I find that these always belong to the leftist coalition in the first place. What is shown by the result is that the positioning of the social-democratic parties depends on the country at stake. In more detail I find that in the flexibilising countries the Danish socialist party (SPD) and the Swiss socialist party (SP) are both located in the third-way coalition, whereas the broad left coalition is composed by unions and SMOs. The findings for the dualising countries are more supportive of the Rueda-based argument because social-democratic parties are clearly located in the traditional-left quadrant; however, these parties belong to different coalitions (left or centrist). Finally, in the UK, instead, I actually find just three major coalitions – a united left, a centrist, and a right coalition. Interestingly, also in the UK the socialist party (Labour) is located in a centrist coalition.

[27] The cluster analysis was performed by means of the *kmeans* command based on both the state/market and the pro/contra activation factor scores. Four groups were requested.

Flexicurity countries

Figure 4: Actor configuration in the flexicurity countries (Denmark and Switzerland)



Legend

Clusters: result of a cluster analysis, kmeans of the factor scores for factor 1 (state/market) and factor 2 (activation)..

Denmark*: Unions*: *AC* Akademikernes Centralorganisation, *FTF* Confederation of Professionals, *LO* Confederation of trade unions; ***Employers' organisations***: *DA* Confederation of Danish Employers, *DI* Confederation of Danish Industry; ***Parties:*** *SD* Social Democrat party, *Venstre* Liberal Party, *DF* Dansk Folkepartis, *KF* Konservative Folketsparti, *RG* Red-Green Alliance, *SF* Socialist Folkeparti; ***Administration:*** *NLMA* National Labour Market Authority, *DEC* Economic Council, advisory board to the government; ***NGOs, Charities and Think-tanks***: *SFI* Danish national centre for social research, *ECLM* Economic Council of labour movement, *CEPOS* Conservative think-tank.

Switzerland*: Unions*: *Unia* Unia, *KV* Kaufmännischer Verband Schweiz, *Syna* Syna Arbeitslosen Kasse, *AS* Angestellte Schweiz, *SGB* Scherizerischer Gewerkschaftsbund, *TS* Travail.Suisse, Gewerkschafts-dachorganisation; ***Employers' organisations:*** *SBV* Dachverband Schweizerischer Baumeisterverband, *SGV* Schweizerischer Gewerbeverband, *SAV* Schweizerischer, Arbeitgeberverband, *Swissmem* Swissmem; ***Parties:*** *Gruene* Grüne Partei Schweiz, *FDP* Freisinning Demorkatische Partei, die Liberalen, *SVP* Schweizerische Volkspartei, *CVP* Christlichdemokratische Volkspartei, *BDP* Bürgerlich Demokratische Partei, *SP* Sozialdemokratische Partei; ***Administration:*** *BE* Canton Bern, *AG* Canton Argau, *SODK* Conference of the cantonal social ministers, *SECO* State Secretary for Economic Affairs; ***NGOs, Charities and Think-tanks***, *Caritas* Caritas Switzerland, *Attac* Attac Switzerland, NGO, *Kabba* NGO on behalf of the unemployed, *AvS* Avenir Suisse

Figure 4 shows the four coalitions in the flexicurity countries. The left coalition is composed of two Swiss union federations (Travail Suisse and Unia), the coordinating organ of the Swiss cantons (SODK), the Danish union federations (LO and FTF), the Swiss NGOs Caritas, Attac and Kabba as well as the Danish red-green alliance (RG), the Socialist Folkeparti (SF) and the Danish Folkeparti (DF). Surprisingly, the Swiss confederation of trade unions (SGB), the unions of the Swiss white-collar employees (AS), and the Swiss Greens belong to the third-way coalition, which favours a more liberal and market-oriented passive benefit strategy. In the third-way coalition I further identify the Swiss Social Democratic party, the Danish Social-democratic party (SD), the Swiss Christian-Democratic Party (CVP) and the Danish Economic council (ECLM), which is an advisory board to the labour movement.

The actor constellation in Denmark and Switzerland thus suggests that in countries where welfare state benefits are generous and contemporaneously problem pressure in terms of unemployment level is comparatively low[28], actors facing government responsibility are less likely to endorse an expansion of passive benefits. In fact, in the left cluster merely the Danish red-green alliance (RG), some unions and social movement organisations can be identified. Interestingly, the actors belonging to the left coalition diverge widely with respect to activation preferences. Whereas the Danish white-collar union FTF is rather against expanding training, short-time and public job creation, i.e. pro-outsider policies; the other left-oriented unions are in favour of such activation measures.

[28] In 2010 the youth unemployment (as percentage of the youth labour force) for Denmark reached 13.8% and in Switzerland 7.2%. As compared to the UK (19.1%), Italy (27.9%) and France (22.5%) these figures are very moderate. The only exception to this pattern is Germany with just 9.7% of youth unemployment. The low level of problem pressure can be underpinned also with figures for long-term unemployment (as percentage of the unemployed). In 2010 Denmark had 19.1% and Switzelrand 34.3% of long-term unemployed. Compared to France (40.1), Germany (47.4) and Italy (48.5) these again indicate a good performance of the Swiss and Danish labour markets. Just, the UK has similarly low levels of long-term unemployment (32.6%) (Source: OECD key tables).

The heterogeneity within the left coalition underpins the expectations that these actors face particular challenges deciding whether to endorse activation policies and hence address rather insider or outsider (Schwander 2012; Rueda 2007). Hence, in terms of coalition no clear distinction between left-pro-insider and left-pro-outsider actors can be found, rather they form a heterogeneous coalition basing on their common left stance on the state/market dimension.

Moreover, the figure shows that, contrarily to the expectations, the social democratic parties located in the third-way cluster and hence do not share the preferences of the left coalitions endorsing the expansion of welfare benefits. Rather, these parties seem to engage for outsiders by endorsing activation (training, short-time and public job creation) but against the interest of their former core constituencies are willing to keep the status quo or eventually even reduce passive benefits. Thus, this finding challenges the argument made by Rueda (2007) that social democratic parties represent the labour market insiders and rather lends support to the argument made by Schwander (2012) that social democratic parties target primarily outsiders and hence engage foremost for labour market activation rather than passive benefits.

Unexpectedly, I find a centrist cluster of actors. These actors are characterised by a neutral position on the state/market dimension and by a tendency to moderately oppose expansive activation measures. The actors belonging to this coalition include state actors from Switzerland (the cantons Aargau and Berne and the State Secretary for Economic Affairs (SECO)) and Denmark (NLMA and DEC) as well as the Danish liberal party Venstre and the Swiss liberal party FDP, both the Swiss conservative BDP and the Danish conservative (KP) parties, as well as the Swiss employers' organisation (SAV).

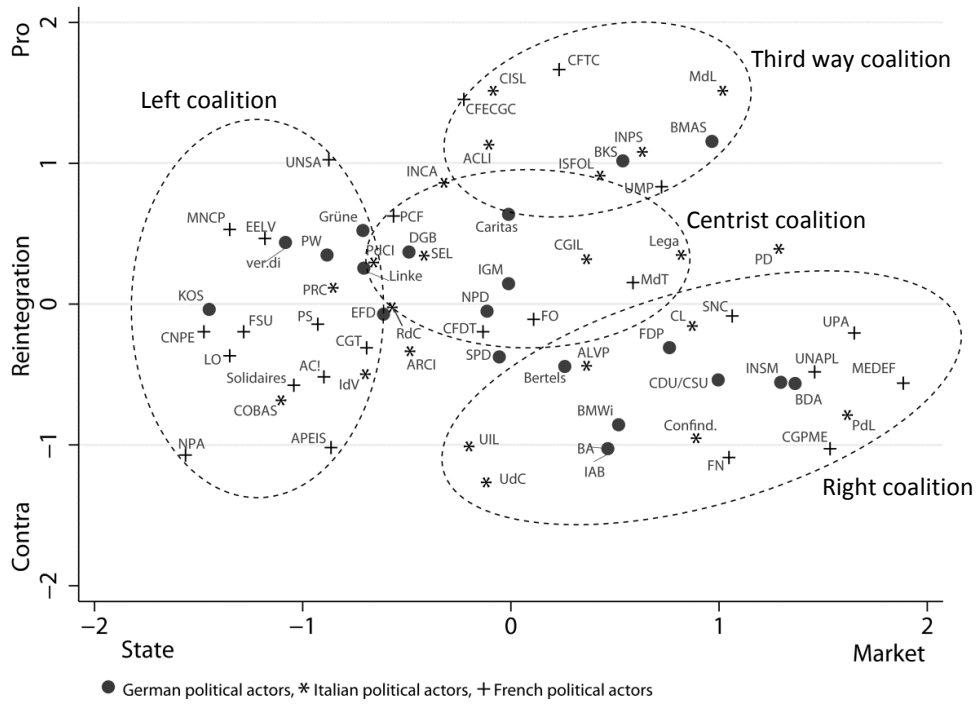
These findings clearly contradict the hypothesis that state bodies and administrations in Denmark and Switzerland should endorse a third-way strategy because of their contact to international and

supranational bodies of experts. On the contrary, I find that state bodies and administrations are rather sceptical of activation measures and overall are oriented towards preserving the status-quo.

Last, the traditional right coalition is composed as expected of the employers' organisations (SGV, Swissmem, SBV in Switzerland and the DI, DA in Denmark), the Swiss Peoples' Party (SVP) and the think-tanks CEPOS and Avenir Suisse. Similarly to the left coalition also the right coalition is very homogenous on the state/market axis but rather heterogeneous on the activation axis. This result nicely underpins previous studies arguing that a multidimensional policy space may give rise to flexible, issue-specific coalitions (Häusermann 2006 and 2010). Given the similarity of their position on the activation axis, it is plausible that the employers' organisation Swissmem cooperates with the social movement organisation Attac, even though such cooperation would be unconceivable for instance with respect to passive unemployment benefits.

Dualisation countries

Figure 5: Actor configuration in the dualising countries (Germany, France and Italy)



Legend

Clusters: result of a cluster analysis, kmeans of the factor scores for factor 1 (state/market) and factor 2 (activation).
France: ***Union:*** *Solidaires* Solidaires***,*** *UNSA* Union nationale des syndicats autonomes, *CFECGC* Confédération française de l'encadrement***,*** *CFDT* Confédération française démocratique du travail, *CFTC* Confédération Française des Travailleurs, *CGT* Confédération générale du travail, *FSU* Fédération syndicale unitaire***; Employers' organisations:*** *CGPME* Confédération Générale des Petites et Moyennes Entreprises***,*** *MEDEF* Mouvement des entreprises de France***,*** *UNAPL* La confédération interprofessionnelle des professions libérales, *UPA* Union Professionelle Artisanale***; Parties:*** *UMP* Union pour le Mouvement Populaire (UMP)***,*** *PS* Parti Socialiste***,*** *FN* Front National***,*** *PCF* Parti Communiste Français***,*** *LO* Lutte Ouvrière, *NPA* Nouveau Parti Anticapitaliste, *FO* Force Ouvrière, *EELV* Europe Ecologie Les Verts; ***Administration:*** *MDT* Ministère du Travail***; NGOs, Charities and Think-tanks:*** *AC*! Agir contre le Chômage!***,*** *APEIS* Association Pour l'Emploi, l'Information et la Solidarité, *CNPE* Comité national des privés d'emploi CGT***,*** *MNCP* Mouvement National des Chômeurs et Précaires***,*** *SNC* Solidarités nouvelles face au chômage
Italy: Unions*: COBAS* Confederazione dei Comitati di Base, *UIL* Unione Italiana del Lavoro, *CISL* Confederazione Italiana Sindacati dei Lavoratori, *CIGL* Confederazione Generale Italiana del Lavoro; ***Employers' organisations:*** *Conf* Confindustria***; Parties:*** *PD* Partito Democratico***,*** *SEL* Sinistra Ecologia e Libertà, *UdC* Unione di Centro, *PdL* Popolo della Libertà, *Lega* Lega Nord, *IdV* Italia dei Valori, *PdCI* Comunisti italiani***,*** *PRC* Rifondazione Comunista***; Administration:*** *MdL* Ministero del Lavoro***,*** *INPS* Istituto Nazionale Previdenza Sociale; ***NGOs, Charities and Think-tanks:*** *ISFOL* Istituto per lo Sviluppo della Formazione Professionale dei Lavoratori, *ACLI* Associazioni Cristiane Lavoratori Italiani (ACLI, patronato CISL)***,*** *ALVP* Movimento Associazione Lavoratori Vittime del Precariato***,*** *INCA* Istituto Nazionale Confederale di Assistenza (patronato CIGL)***,*** *ARCI* Associazione di Promozione culturale, *RdC* Rete della Conoscenza
Germany: ***Unions:*** *KGA* Koordinierungsstelle gewerkschaftlicher Arbeitslosengruppen***,*** *IGM* Industriegewerkschaft Metall***,*** *Verdi* Vereinte Dienstleistungsgewerkschaft, *DGB* Deutscher Gewerkschafts Bund; ***Employers' organisations:*** *BDA* Bundesvereinigung der Deutschen Arbeitgeberverbände***; Parties,*** *Linke* Die Linke***,*** *CDU/CSU* Christlich Demokratische Union/Christlich Soziale Union***,*** *NPD* Nationaldemokratische Partei Deutschlands, *FDP* Freie Demokratische Partei/Die Liberalen, *SPD* Sozialdemoratische Partei Deutschlands***,*** *Gruene* Grüne Partei Deutschland***; Administration,*** *BKS* Bundesvereinigung kommunale Spitzenverbände***,*** *BMAS* Bundesministerium für Arbeit und Soziales***,*** *BWM* Bundeswirtschaftsministerium***,*** *BA* Bundesagentur für Arbeit***; NGOs, Charities and Think-tanks:*** *Caritas* Caritas Deutschland, *EFD* Erwerbslosenforum***,*** *Attac* Attac Deutschland***,*** *INSM* Initiative Neue Soziale Marktwirtschaft***,*** *PW* Paritätischer Wohlfahrtsverband***,*** *Bertels* Bertelsmannstiftung***,*** *IAB* Institut für Arbeitsmarkt und Berufsforschung.

As in the flexicurity countries, in the dualising regimes (Figure 5) an actor constellation characterised by four coalitions (left, centrist, third way and right) emerges. However, the allocation of the different types of actors in the four groups is less clearly structured than in Denmark and Switzerland. First, it appears that the unions are spread across the left, centrist and third-way coalitions and the Italian UIL is even placed in the traditional right coalition. In the Italian case, the differences between the unions can be explained to some extent by their ideological fragmentation (Kriesi 2007). In fact, the findings that the liberal UIL is closer to the political right and the catholic CISL is located in the third-way coalition, as is the Swiss Christian-democratic party CVP in Switzerland, is comprehensible. Rather surprising is instead that the formerly communist union CIGL is located not with the COBAS in the left coalition but in the moderate centrist group along with the German unions IGM and DGB, the Italian party Lega or the Social Democrat party in Germany.

The (former) communists (PCF, PdCI, PRC and die Linke) and the greens (the French EELV and the German Grüne) are rather consistently located in the left cluster.. The only exception is represented by the Italian Greens SEL, who instead are placed in the centrist coalition. These results allow drawing the same conclusion as for the flexicurity countries: foremost social movement organisations and opposition parties (die Linke, and the German greens) favour policies, which can be characterised as "modern left" (upper right quadrant). However, modern and traditional left cannot be distinguished and form one big, heterogeneous coalition.

Interestingly, the positioning of the socialist parties also diverges between the three countries. While the Parti Socialiste Français and the Italia dei Valori are in the left coalition, the German SPD belongs to the centrist group, which in the light of the fact that it was the social-democratic party that proposed the liberal-leaning Hartz IV reforms might not surprise after all. Finally, and as an absolute outlier, the Partito Democratic in Italy seems to belong to the right coalition.

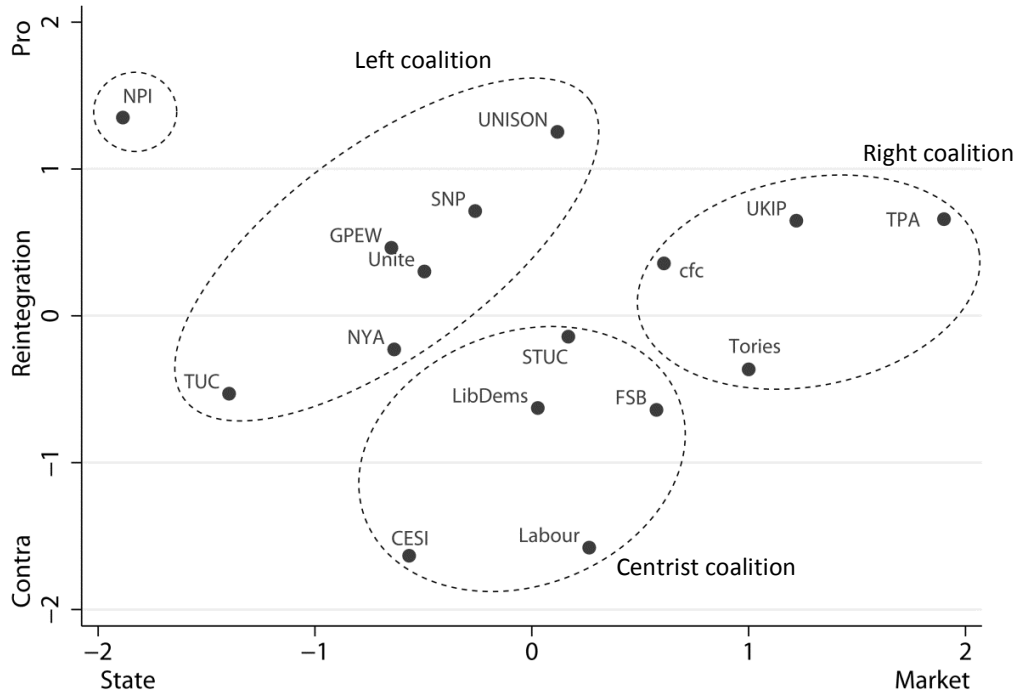
The state bodies and administrations which were expected to be in the third-way coalitions are consistently located moderately on the right and diverge widely on the activation axis (right coalition). Interestingly, a similar pattern has been detected also for the state bodies in Denmark and Switzerland. Conversely, the Italian Ministry of Employment and the German Ministry for Social Affairs behave as expected and are located in the third-way coalition favouring an active reintegration policy. The corresponding French office is neutral and thus belongs to the centrist coalition, while the German Bundesagentur für Arbeit (BAA) is clearly located in the right coalition.

The hypothesis that the conservative government parties pertain to the right coalition can be underpinned at least to some extent for the dualising countries. In fact, both the German CSU/CDU and the Italian PdL meet the expectations, only the French UMP is situated in the third-way coalition and hence endorses activation strategies, in particular reintegration and training measures, which are the items with high factor loadings and which hence determine the regime-specific activation factor.

Interestingly, in the dualising countries the right coalition is extremely divided on the state/market dimension but has a very homogeneous stance in refusing increasing activation effort (especially training and reintegration measures). These right-oriented actors hence seem to disagree foremost on whether employment conditions should be liberalised further, an issue which has been pushed particularly by employers' organisations and government parties in the dualising countries to countervail the rigidities of the continental welfare states. Conversely, issues linked to activation measures seem less debated and/or relevant.

Deregulation country

Figure 6: Actor configuration in the liberal country (UK)



Legend

Clusters: result of a cluster analysis, kmeans of the factor scores for factor 1 (state/market) and factor 2 (activation).
UK: ***Unions****: TUC* Trade Union Congress, *STUC* Scottish Trade Union Congress, *UNISON* Public service trade union, *Unite* The Union; ***Employers' organisations***: *FSB* Federation of Small Business; ***Parties***: *GPEW* Green Party, *Tories* Conservative Party, *Libdems* Liberal democrats, *Labour* Labour Party, *SCNP* Scottish National Party, *UKIP* United Kingdom Independence Party; ***NGOs, Charities and Think-tanks***, *NPI* New Policy Institute, independent think-tank, *Cfc* Centre for Cities, *CESI* Centre for Economic and Social Inclusion, *NYA* National Youth Agency, *TPA* Taxpayers' Alliance

In the UK (Figure 6), I actually find just three coalitions, a coalition each on the left, in the centre and on the right; the fourth cluster is represented by the New Policy Institute, a non-governmental organisation that seems to have rather extremist preferences and hence is isolated from the other political actors. In the UK the unions (Unison, Trade Union Congress and Unite), the Scottish National Party and the Greens are located in the left coalition. These actors prefer a pro-labour market reintegration policy orientation

rather than increasing the minimum wage, hence they seem to care foremost for the interests of the labour market outsiders, i.e. the unemployed, rather than engaging to prevent in-work poverty. Thus, as for the other regimes also in the UK the left coalition is composed by unions, opposition parties and social movement organisations and is very heterogeneous both on the state/market and on the activation dimension.

Somewhat unexpectedly for a social-democratic party, Labour is located moderately to the political right and belongs to the centrist coalition. In terms of activation preferences, Labour does not prioritise the reintegration of the unemployed in the labour market but is decidedly in favour of increasing the minimum wage. This finding is hence rather compatible with Rueda's (2006) expectation that social-democratic parties represent the interests of labour market insiders because increases in minimal wage benefit foremost labour market insiders. The other actors, who are part of the centrist coalition with the Labour party, include the Liberal Democrats, the Scottish Trade union Congress (STUC), the only employers' organisation (FSB) we succeeded in interviewing in the UK, and the think-tank CESI.

To interpret the results with respect to the right coalition we should keep in mind that in the UK the composition of the activation axis in differs slightly from the one in the other regimes. At first sight in fact, the right coalition coincides with the third-way coalitions in the other countries and is located in the upper right quadrant. However, in the deregulating country in the right-oriented coalition favours a strong-market orientation and focuses on increasing the efforts to reintegrate the unemployed as opposed to *guaranteeing a minimal wage* to prevent in-work poverty. In other words these actors favour work-first measures (reintegration) rather than increasing protection for labour market insiders and thus cannot be considered a third-way coalition. The right coalition in the UK is composed by the nationalist UK Independence Party, the conservative Tories, and two SMOs (Centre for Cities and the Taxpayer Alliance).

In sum, across all three regimes, the most consistent finding is clearly the one concerning the employers' associations, which, in all countries, are located in the rightist coalition, often joined by the conservative government parties. In contrast, the composition of the left, centrist and third-way coalitions varies by regime.

In detail I could show that social movement organisations, unions and opposition parties cluster in the left coalition and hence endorse generous passive benefits, but that these cannot be distinguished in terms of whether they support pro-insider or pro-outsider policies. Thus, at coalition level the results concerning the representation of insider and outsider are inconclusive.

Moreover, I found that social-democratic parties in the flexicurity countries pertain to the third-way coalition and hence are at best for a preservation of the status-quo with respect to passive benefits while supporting an expansion of activation policies. Conversely, the findings for the dualising countries are more in line with the expectations by Rueda (2007), in fact, both the French socialist party and the Italian Italia dei Valori support traditional left policy measures (lower left quadrant) and pertain to the left coalition, while - not surprisingly - German SPD is located in the centrist coalition.

This result rather nicely underpins my expectations that socialist parties should not be expected to implement exactly the *same* policies independently of the institutional context they are embedded in. In fact, in the flexicurity countries where insider protection is unchallenged and the insider/outsider divide is less pronounced, traditional left actors might focus more on novel clienteles rather than engage to preserve traditional workers' privileges. In the dualising countries the socialist parties instead might still be concerned with defending the insiders' interest against novel claims especially because with the high levels of problem pressure social policy increasingly develops into a zero-sum game where ameliorations for one group necessarily implies cuts in other domains.

In sum, the present analyses show that the political contest is two-dimensional and evolves around a state/market axis that results to be very similar in all regimes, and an activation axis that instead is regime-specific. Furthermore, I underpinned the theoretical expectation that the political contest and hence the actor constellations depend on the institutional legacies and eventually on the problem pressure. Thus, as suggested by Thelen (2012) future research should concentrate on assessing the institutional starting points and how these influence reform trajectories and actor constellations.

Conclusion

The aim of this chapter was to analyse the structure of the *labour market space* in six western European countries and to evaluate whether the conflict structure is similar or different across countries. Moreover, since the conflict structure is determined by the actor constellation I also analysed the preference-based coalition patterns in the different regimes. The analyses rely on a telephone survey of the major organisations active in labour market policy in Denmark, France, Germany, Italy, Switzerland and UK in autumn 2010. Within each organisation of policy-makers, i.e. unions, parties, state bodies, employers' organisation and social movement organisations, we interviewed the responsible of the unemployment policy domain.

In our interview we asked the political actors to express their organisations' position on a battery of policy items and in a second step to classify them in terms of saliency. I used this information to construct an indicator multiplying the preference and salience score of each item. Then, I performed exploratory factor analyses to assess both the dimensionality of the political space and the actor constellations.

Overall, analysing labour market space dimensionality it could be shown that the economic dimension is rather regime invariant, i.e. in the three regimes the same items capture the state/market political conflict. It was another story for the activation conflict, however, which instead depends on whether the country has a flexicurity, a dualising or a deregulating labour market legacy.

In this respect, I argued that, as a consequence of the changing socio-economic context, political actors are confronted with new social needs, especially those of the long-term unemployed (Bonoli 2005), and that these are above all accommodated by means of activation and re-commodification policies. In the light of the convergence/divergence debate, the question was raised whether in all countries exactly the same political conflict space can be expected. I argued that the labour market policy preferences differ because of institutional legacies, in particular the activation orientations. In the flexicurity countries (Denmark and Switzerland), a strong orientation towards a generous and human-capital activation practice was expected and I could show that the political contention in these countries is mainly about whether it is necessary to increase state efforts in the activation domain by means of expanding short-time work or creating employment in the public sector. In the dualisation model, which is characteristic of France, Italy and Germany, the labour force is split into insiders profiting from rather generous benefits and an increasing share of workers with precarious or atypical contracts. Here, the political conflict on the second (activation) dimension was shown to be defined by activation preferences relating to reintegration. The UK, as the only representative of the deregulation model, is characterised by both very low passive benefits and rather low activation efforts, which, moreover, are conditional and incentive based. Furthermore, there is a large share of the population working in underpaid service jobs, which needs additional protection. This might be a reason why, in the UK, the activation axis does not only concern preferences for workfarist reintegration measures but has a second polarity that captures the preferences for an increase in the minimum wage.

The regime-specific composition of the activation axis supports the expectations that the state/market conflict is similar across countries and regimes, whereas the difference in the activation dimension rather supports the literature on national divergence. Thus, given the rather high between-country variation in conflict structure, the comparative political economy literature – which argues that different institutional legacies lead countries to endorse different reform trajectories (Thelen 2012; Esping-Anderson 1996; Taylor-Gooby 2005) and hence confront them with slightly different political conflicts – can be supported. In fact, as the analyses show, the nine issues used to operationalise the political conflict structure in labour market policy are perceived to represent *functionally equivalent* conflict dimensions, but the specific composition of the conflicts depends on the regime characteristics.

Finally, I reported several interesting findings with respect to the actor constellations. The flexicurity and the dualising regimes are characterised by four different coalitions – a left-oriented, a centrist, a third-way and a right-oriented – and in the UK by three major groups, which are discernible in terms of left–right placement.

Overall, the most consistent finding concerns the employers' organisations which clearly and consistently are part of the right coalition. Then I could show that contrary to the expectations the state bodies and administrations pertain to the centrist coalitions which endorse a moderate retrenchment on both policy dimensions.

Also the argument by Rueda (2007) that social democratic parties favour traditional left policies could only partially be underpinned. In fact, merely the French Parti socialiste and the Italian Italia dei Valori could be shown to belong to the left coalition and be located in the lower left quadrant. Conversely, the German social democrats and Labour belong to the centrist coalition, the Swiss and the Danish to the third-way coalition and the Partito Democratico very surprisingly to the right coalition.

This heterogeneity of social democratic positions and coalition patterns suggests that the organisations belonging to the same party families might have different preferences depending on the institutional context, and hence underpins my expectations that institutional starting points are pivotal in understanding the elites' policy proposal. Hence, I challenge current practices in welfare state research which capture actors' positions basing merely on preferences for policy types or amount of spending, without considering that these preferences are influenced and hence can be understood only *within* a particular institutional context and against the background of specific challenges as for instance high unemployment figures.

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Appendix

Table 13: Response rates in the two waves of interviews with policy-makers per country: percentages

Response rates	first interview			second interview	
	Contacted	Cooperated	%	Cooperated	%
DK	20	**16**	80.0	15	75.0
CH	24	**24**	100.0	24	100.0
D	25	**22**	88.0	21	84.0
F	27	**25**	92.6	25	92.6
I	36	**22**	61.1	18	50.0
UK	29	**16**	55.2	15	51.7
total	161	**125**	77.6	118	73.3

Table 14: Political actors in Denmark, the UK and Germany

Denmark		UK		Germany	
Unions					
AC	Akademikernes Centralorganisation	TUC	Trade Union Congress	KGA	Koordinierungsstelle gewerkschaftlicher Arbeitslosengruppen
FTF	Confederation of Professionals	STUC	Scottish Trade Union Congress	IGM	Industriegewerkschaft Metall Metall
LO	Confederation of trade unions	UNISON	Public service trade union	Verdi	Vereinte Dienstleistungsgewerkschaft
		Unite	The Union	DGB	Deutscher Gewerkschafts Bund
Employers' organisations					
DA	Confederation of Danish Employers	FSB	Federation of Small Business	BDA	Bundesvereinigung der Deutschen Arbeitgeberverbände
DI	Confederation of Danish Industry				
Parties					
SD	Social Democrat party	GPEW	Green Party	Linke	Die Linke
Venstre	Liberal Party	Tories	Conservative Party	CDU/CSU	Christlich Demokratische Union/Christlich Soziale Union
DF	Dansk Folkepartis	Libdems	Liberal democrats	NPD	Nationaldemokratische Partei Deutschlands
KF	Konservative Folketsparti	Labour	Labour Party	FDP	Freie Demokratische Partei/Die Liberalen
RG	Red-Green Alliance	SCNP	Schottish National Party	SPD	Sozialdemoratische Partei Deutschlands
SF	Socialist Folkeparti	UKIP	United Kingdom Independence Party	Gruene	Grüne Partey Deutschland
Administration					
NLMA	National Labour Market Authority			BKS	Bundesvereinigung kommunale Spitzenverbände
DEC	Economic Council, advisory board to the government			BMAS	Bundesministerium für Arbeit und Soziales
				BWM	Bundeswirtschaftsministerium
				BA	Bundesagentur für Arbeit
NGOs, Charities and Think-tanks					
SFI	Danish national centre for social research	NPI	New Policy Institute, independent think-tank	Caritas	Caritas Deutschland
ECLM	Economic Council of labour movement (AE)	Cfc	Centre for Cities	EFD	Erwerbslosenforum
CEPOS	Conservative think-tank	CESI	Centre for Economic and Social Inclusion	Attac	Attac Deutschland
		NYA	National Youth Agency	INSM	Initiative Neue Soziale Marktwirtschaft
		TPA	Taxpayers' Alliance	PW	Paritätischer Wohlfahrtsverband
				Bertels	Bertelsmannstiftung
				IAB	Institut für Arbeitsmarkt und Berufsforschung

Table 15: Political actors in Switzerland, France and Italy

Switzerland		France		Italy	
Unions					
Unia	Unia	Solidaires	Solidaires	COBAS	Confederazione dei Comitati di Base
KV	Kaufmännischer Verband Schweiz	UNSA	Union nationale des syndicats autonomes	UIL	Unione Italiana del Lavoro
Syna	Syna Arbeitslosen Kasse	CFECGC	Confédération française de l'encadrement, Confédération générale des cadres	CISL	Confederazione Italiana Sindacati dei Lavoratori
AS	Angestellte Schweiz	CFDT	Confédération française démocratique du travail	CIGL	Confederazione Generale Italiana del Lavoro
SGB	Scherizerischer Gewerkschaftsbund	CFTC	Confédération Française des Travailleurs		
TS	Travail.Suisse, Gewerkschafts-dachorganisation	CGT	Confédération générale du travail		
		FSU	Fédération syndicale unitaire		
Employers' organisations					
SBV	Dachverband Schweizerischer Baumeisterverband	CGPME	Confédération Générale des Petites et Moyennes Entreprises	Conf	Confindustria
SGV	Schweizerischer Gewerbeverband	MEDEF	Mouvement des entreprises de France		
SAV	Schweizerischer Arbeitgeberverband	UNAPL	La confédération interprofessionnelle des professions libérales		
Swissmem	Swissmem	UPA	Union Professionelle Artisanale		
Parties					
Gruene	Grüne Partei Schweiz	UMP	Union pour le Mouvement Populaire (UMP)	PD	Partito Democratico
FDP	Freisinning Demorkatische Partei, die Liberalen	PS	Parti Socialiste	SEL	Sinistra Ecologia e Libertà
SVP	Schweizerische Volkspartei	FN	Front National	UdC	Unione di Centro
CVP	Christlichdemokratische Volkspartei	PCF	Parti Communiste Français	PdL	Popolo della Libertà
BDP	Bürgerlich Demokratische Partei	LO	Lutte Ouvrière	Lega	Lega Nord
SP	Sozialdemokratische Partei	NPA	Nouveau Parti Anticapitaliste	IdV	Italia dei Valori
		FO	Force Ouvrière	PdCI	Comunisti italiani
		EELV	Europe Ecologie Les Verts	PRC	Rifondazione Comunista
Administration					
BE	Canton Bern	MDT	Ministère du Travail	MdL	Ministero del Lavoro
AG	Canton Argau			INPS	Istituto Nazionale Previdenza Sociale
SODK	Conference of the cantonal social ministers				
SECO	State Secretary for Economic Affairs				
NGOs, Charities and Think-tanks					
Caritas	Caritas Switzerland, Charity	AC!	Agir contre le Chômage!	ISFOL	Istituto per lo Sviluppo della Formazione Professionale dei Lavoratori
Attac	Attac Switzerland, NGO	APEIS	Association Pour l'Emploi, l'Information et la Solidarité	ACLI	Associazioni Cristiane Lavoratori Italiani (ACLI, patronato CISL)
Kabba	NGO on behalf of the unemployed	CNPE	Comité national des privés d'emploi CGT	ALVP	Movimento Associazione Lavoratori Vittime del Precariato
AvS	Avenir Suisse, Think-tank	MNCP	Mouvement National des Chômeurs et Précaires	INCA	Istituto Nazionale Confederale di Assistenza (patronato CIGL)
		SNC	Solidarités nouvelles face au chômage	ARCI	Associazione di Promozione culturale
				RdC	Rete della Conoscenza

Table 16: Interview statement wording

1	State job	The use of state programmes to create jobs.
2	Min. wage	Raising the minimum wage.
3	Sanction	Tougher sanctions for those who refuse to accept work that is deemed appropriate for them.
4	Red. benefit	Reduction of unemployment benefits.
5	Work-hours	Flexibility of working hours.
6	Hire-fire	Loosening of hire and fire legislation.
7	Training	More retraining possibilities for the unemployed.
8	Short-time	The promotion of short-time work – the ability of employers to reduce workers hours when orders are low.
9	Reintegration	Reintegration in the labour market should be actively promoted.

Table 17: Correlation table

	Sanction	**Red. ben**	**Work-hours**	**Hire-fire**	**State job**	**Min. wage**	**Training**	**Short-time**
Sanction	1.00							
Reducbenef	0.53	1.00						
Workhours	0.29	0.26	1.00					
Hirefire	0.28	0.24	0.35	1.00				
Statejob	-0.36	-0.41	-0.39	-0.27	1.00			
Minimalw	-0.31	-0.29	-0.52	-0.28	0.50	1.00		
Training	-0.19	-0.12	-0.18	-0.07	0.29	0.23	1.00	
Shorttime	-0.02	-0.05	-0.09	0.09	0.10	0.01	0.18	1.00

Table 18: Descriptive statistics *all* countries

	Variable	**Mean**	**St.dev.**	**Min.**	**Max.**
1	Statejob	0.23	0.43	-1.00	1.00
2	Minimalw	0.22	0.38	-0.66	1.00
3	Sanction	-0.03	0.31	-1.00	1.00
4	Reducbenef	-0.15	0.31	-1.00	1.00
5	Workhours	0.07	0.26	-0.33	1.00
6	Hirefire	-0.06	0.26	-0.66	1.00
7	Training	0.36	0.35	-0.66	1.00
8	Shorttime	0.15	0.29	-0.33	1.00
9	Reintegr	0.42	0.34	-0.5	1.00

Notes: N = 124 (Attac Germany has been excluded from the analyses)

Table 19: Descriptive statistics Switzerland

	Mean	St.dev.	Min.	Max.
Statejob	0.11	0.36	-0.33	1.00
Minimalw	0.13	0.37	-0.33	1.00
Sanction	0.05	0.30	-0.33	0.66
Reducbenef	-0.06	0.33	-0.66	1.00
Workhours	0.15	0.35	-0.33	1.00
Hirefire	-0.11	0.24	-0.66	0.33
Training	0.28	0.39	-0.33	1.00
Shorttime	0.10	0.30	-0.33	0.66
Reintegr	0.41	0.40	-0.50	1.00

Notes: N = 24

Table 20: Descriptive statistics Germany

	Mean	St.dev.	Min.	Max.
Statejob	0.19	0.36	-0.33	1.00
Minimalw	0.30	0.47	-0.66	1.00
Sanction	-0.12	0.30	-1.00	0.33
Reducbenef	-0.19	0.28	-1.00	0.33
Workhours	0.04	0.23	-0.33	0.66
Hirefire	-0.08	0.16	-0.33	0.17
Training	0.26	0.38	-0.66	1.00
Shorttime	0.20	0.26	-0.17	1.00
Reintegr	0.39	0.33	-0.33	1.00

Notes: N = 21 (Attac Germany has been excluded from the analyses)

Table 21: Descriptive statistics Denmark

	Mean	St.dev.	Min.	Max.
Statejob	0.03	0.43	-1.00	1.00
Minimalw	0.01	0.19	-0.33	0.66
Sanction	-0.07	0.31	-0.66	0.66
Reducbenef	0.02	0.28	-0.33	0.66
Workhours	0.11	0.22	-0.33	0.66
Hirefire	-0.11	0.17	-0.33	0.17
Training	0.33	0.37	-0.17	1.00
Shorttime	-0.06	0.19	-0.33	0.33
Reintegr	0.53	0.35	0	1.00

Notes: N = 16

Table 22: Descriptive statistics France

	Mean	St.dev.	Min.	Max.
Statejob	0.42	0.45	-0.33	1.00
Minimalw	0.38	0.40	-0.33	1.00
Sanction	-0.02	0.21	-0.33	0.33
Reducbenef	-0.22	0.30	-1.00	0.17
Workhours	0	0.33	-0.33	0.66
Hirefire	-0.03	0.42	-0.33	1.00
Training	0.48	0.30	0	1.00
Shorttime	0.13	0.24	-0.33	0.66
Reintegr	0.40	0.34	0	1.00

Notes: N = 25

Table 23: Descriptive statistics UK

	Mean	St.dev.	Min.	Max.
Statejob	0.30	0.41	-0.66	1.00
Minimalw	0.10	0.23	-0.33	0.66
Sanction	-0.13	0.33	-1.00	0.33
Reducbenef	-0.27	0.43	-1.00	0.33
Workhours	0.14	0.13	0	0.33
Hirefire	0	0.23	-0.66	0.33
Training	0.34	0.25	0	1.00
Shorttime	0.11	0.13	0	0.33
Reintegr	0.37	0.31	0	1.00

Notes: N = 16

Table 24: Descriptive statistics Italy

	Mean	St.dev.	Min.	Max.
Statejob	0.29	0.46	-0.33	1.00
Minimalw	0.32	0.37	-0.33	1.00
Sanction	0.09	0.36	-0.66	1.00
Reducbenef	-0.16	0.16	-0.33	0
Workhours	0.04	0.19	-0.33	0.33
Hirefire	-0.03	0.23	-0.33	0.66
Training	0.43	0.33	0	1.00
Shorttime	0.38	0.37	0	1.00
Reintegr	0.46	0.32	0	1.00

Notes: N = 22

Table 25: First factor by country: state versus market

	Flexicurity		**Dualised**			**Deregulated**
Items	Denmark	Switerzland	Germany	France	Italy	UK
Sanction	**0.61**	**0.58**	**0.57**	**0.77**	**0.77**	**0.89**
Reducbenef	**0.54**	**0.71**	0.11	**0.71**	0.34	**0.85**
Workhours	**0.46**	**0.55**	**0.77**	**0.86**	**0.42**	**-0.41**
Hirefire	**0.74**	**0.42**	0.03	**0.83**	**0.35**	**0.38**
Minimalw	**-0.48**	**-0.64**	**-0.83**	**-0.82**	**-0.65**	-0.39
Statejob	-0.39	-0.23	-0.48	**-0.73**	**-0.76**	**-0.68**
Training	**-0.83**	0.12	**-0.78**	-0.27	-0.06	-0.27
Shorttime	0.19	-0.04	-0.03	0.32	0.05	-0.05
Reintegr	-0.23	-0.11	-0.10	-0.03	0.04	-0.13
Eigenvalue	2.58	1.81	2.47	3.90	2.02	2.52
Expl. var.	49.69	52.21	45.73	77.69	49.38	50.88
N	16	24	20*	25	22	16

*Attac Germany was excluded from the sample

Table 26: Second factor by country: pro/contra activation

	Flexicurity		**Dualised**			**Deregulated**
Items	Denmark	Switerzland	Germany	France	Italy	UK
Sanction	-0.30	-0.20	-0.19	0.16	-0.16	-0.19
Reducbenef	-0.46	0.06	**-0.49**	-0.09	**-0.51**	0.12
Workhours	0.19	-0.49	0.07	-0.08	-0.13	0.35
Hirefire	0.00	0.14	-0.16	-0.21	-0.17	0.31
Minimalw	0.25	0.16	0.28	-0.16	-0.28	**0.57**
Statejob	**0.73**	**0.63**	**0.65**	-0.24	0.00	-0.26
Training	0.09	**0.56**	0.15	**0.32**	**0.57**	0.18
Shorttime	**0.72**	**0.70**	0.25	**0.42**	**0.44**	-0.24
Reintegr	0.05	0.25	**0.72**	**0.72**	**0.78**	**-0.77**
Eigenvalue	1.45	1.59	1.41	0.96	1.53	1.35
Expl. var.	27.93	46.34	25.97	19.10	37.32	27.25
N	16	24	20*	25	22	16

*Attac Germany was excluded from the sample

PART II

CHAPTER 4

How self-interest and values explain labour market attitudes

Paper authored by: Flavia Fossati

Abstract

The guiding question in this section is how preferences for generous labour market policies can be explained in six western European countries. In the scholarly literature two approaches are put forward: on the one hand, political economy scholars such as Rueda (2005 and 2006) and Iversen and Soskice (2001) and political behaviour scholars such as Rehm (2007 and 2009), Hasenfeld and Rafferty (1989) and Blekesaune and Quadagno (2003) argue that self-interest is pivotal in determining welfare state preferences (cf. Downs 1957; Olson 1965). On the other hand, scholars such as Bonoli (2000) and Hainmueller and Hiscox (2006, 2007 and 2010) suggest that attitudes towards welfare programmes are determined by values and deservingness perceptions (van Oorschot 1998 and 2006; van der Waal et al. 2010). I test these arguments against each other in detail and introduce several different operationalisations of "self-interest" and of value-based decision-making. This contribution relies on a novel database which allows investigations of attitudes towards labour market policies in six western European countries (Denmark, France, Germany, Italy, the UK and Switzerland) in the context of the current economic crisis. By means of a detailed operationalisation of self-interest in terms of indirect, subjective and current unemployment, as well as with different measures related to outsiderness and unemployment risk, I am able to show that it is useful to go beyond straightforward self-interest and value approaches since these phenomena are interlinked. In fact, I show that self-interest at least partially exerts an indirect effect through values on attitudes and contemporaneously both explanations also exert direct effects on labour market preferences. I thus show that values are more powerful predictors of preferences but that a past unemployment experience particularly influences labour market preferences as well. This seems to suggest that self-interest, under some circumstances, may lead to a revision of preferences in the long term.

Keywords: welfare attitudes, labour market policy, political sophistication

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Introduction

The "*homo economicus*", i.e. a more or less strictly rational-choice approach, is a widely diffused and often implicit assumption made by political behaviour, welfare state and political economy scholars to explain welfare state attitudes and party preferences (Hasenfeld and Rafferty 1989, Blekesaune and Quadagno 2003). This theoretical approach assumes that rational voters evaluate costs and benefits and decide to support those policies or candidates who answer their interests best (Downs 1957; Olson 1965; Rueda 2005, Walter 2010). More concretely, these authors expect, for instance, people working in the service sector to support minimum wage schemes, the unemployed to vote for leftist parties because these propose generous compensation schemes and small business owners to endorse tax-reduction policies. The question, however, is whether this notion of preference-formation processes, which at times completely ignores the role played by values, possibly masks the more relevant half of the story (Parsons 1968; Bonoli 2000; Hainmueller and Hiscox 2006, 2007 and 2010) or whether, as argued by Emmenegger (2009), this rationality assumption is possibly too demanding.

The most plausible assumption, in line with the study of Hasenfeld and Rafferty (1989), is that some truth can be found in both the self-interest and the value-based approaches. In the following I will argue that while socialisation and values might be the more powerful and possibly more stable predictors of labour market policy preferences, self-interest should not be neglected because previous experiences of unemployment in particular might lead to long-term preference change. Thus, in this chapter I focus on testing and contemporaneously trying to connect these concurring approaches theoretically to disclose which decision-making mechanisms predict attitudes towards labour market policy preferences in the current context of economic crisis. In fact, I think that a crisis situation, where according to the rational-choice approach "self-interest" could be expected to prevail, is a particularly hard case to test the

predictive power of value-based explanations. In times of increasing individual unemployment risk, of economic austerity and labour market liberalisation reforms, the shares of unemployed people and of employees who are at a high risk of unemployment have dramatically increased. This has potentially expanded the leverage of rational-choice decision-making strategies, hence increasing the popular demand for welfare state compensation and accordingly the endorsement of generous and left-oriented labour market policies (Katzenstein 1985; Rodrik 1998; Walter 2010).

However, analysing whether the determinants of labour market policy preferences are self-interest, values or both is not only an attractive question in the current economic and labour market situation; it is also of interest because it has often been neglected due to the lack of survey data[29] (Bonoli 2000). Moreover, the study of labour market attitudes should focus on more differentiated self-interest operationalisations and go beyond the ones typically used in the literature because these often capture self-interest merely in terms of whether a person has already been or is likely to be dismissed.

In this contribution, in addition to studying labour market policy preferences in six western European countries (Denmark, France, Germany, Italy, the UK and Switzerland) at the apex of the economic crisis, I am also able to address the data and operationalisation shortages. In fact, the dataset on which this contribution relies was explicitly conceived to study labour market and unemployment policies [30]and allows for very detailed and manifold operationalisations of self-interest. Furthermore, next to egalitarianism, which is traditionally assumed to influence welfare state attitudes, I also identify deservingness perceptions as a pivotal explanatory factor, which co-determines individual preferences for generous labour market policies. Thus, by means of a detailed operationalisation of self-interest in terms of indirect, subjective and current unemployment, as well as with different measures related to

[29] Excepting datasets such as the International Social Survey Program (1996) and the Eurobarometer 56.1 (2012).

[30] The dataset was collected in Module 4, Project 13 of the NCCR Democracy 21.

outsiderness and unemployment risk, I am able to explore the different explanatory approaches in depth.

The paper is structured as follows: in the first step the theoretical approaches offered by the literature to explain welfare state attitudes are discussed. Second, a model of labour market attitudes including "self-interest" and "values" is developed and hypotheses are deduced. Then, the operationalisation of self-interest, egalitarianism and deservingness perceptions is illustrated in detail along with data and method issues. Fourth, the results of several Weighted Ordinary Least Square (WOLS) analyses are presented. The final section provides the conclusion.

The determinants of public attitudes towards generous unemployment policy: self-interest or deservingness perceptions

In the literature on formation of attitudes towards the welfare state two theoretical approaches are put forward to explain why people endorse generous labour market policies. On the one side, there is a large body of rational-choice literature arguing that *self-interest* or *unemployment risk* is a pivotal predictor of welfare state attitudes (Hacker, Rehm and Schlesinger 2013; Margalit 2013; Rehm 2007 and 2009; Hasenfeld and Rafferty 1989, Edlund 1999, Svallfors 1997, Blekesaune and Quadagno 2003). Similarly, in the political economy literature scholars including Rueda (2005), Walter (2010) and Iversen and Soskice (2001) argue that political constituencies choose to endorse policies or party representatives based on their self-interest.

On the other hand, authors such as Feldman and Steenbergen (2001) and Pettersen (2001: 29) test an alternative mechanism and argue instead that *values* or *ideological orientations* are decisive predictors of preferences for generous welfare state benefits. Finally, scholars such as Coughlin (1980), van Oorschot (1998; 2000; 2006), Bonoli (2000) and van der Waal et al. (2010) propose the alternative value-based argument that whether the beneficiaries deserve help influences the way people think about public support schemes.

In this contribution I test both explanatory approaches in detail and try to develop a theoretical framework combining these theoretical strands into a more complex model of attitude formation. I test my expectations by relying on multiple operationalisations especially of self-interest and a series of models allowing the identification of direct and indirect effects of self-interest and values. Before specifying the methodological approach, in the following sections, I discuss the different theories and derive competing expectations about the preference-formation process in the specialised domain of labour market policy attitudes.

Self-interest

In the literature on welfare state attitudes there is evidence that self-interest[31] has an influence on whether a person endorses (specific) welfare state schemes (Kumlin 2004; Goul Andersen 1993; Hasenfeld and Rafferty 1989: 1041ff.; Fraile and Ferrer 2005; Rehm 2007 and 2009). According to this theory, people who (have to) rely on welfare state support can be expected to have more positive attitudes towards the welfare state in general, or at least to the specific welfare programme they

[31] Self-interest corresponds to the concept of unemployment/occupational "risk" which is favoured by authors such as Rehm (2007 and 2009) or Hacker, Rehm and Schlesinger (2013).

benefit from. With respect to the labour market domain, as shown by Blekesaune and Quadagno (2003), Arts and Gelissen (2001) and Fraile and Ferrer (2005), unemployed people are more likely to support generous unemployment policies. On the contrary, more privileged respondents make a cost–benefit calculation and may reach the conclusion that in terms of taxes or contributions they are worse off under a generous welfare state.

By consequence, self-interest seems to be determined by individual-level variables, which increase the likelihood that a person depends on welfare state support or will have to do so in the future. Hence, in the following, I discuss the characteristics influencing the likelihood of being or becoming dependent on welfare state benefits so as to determine the socio-economic characteristics that might lead to increased levels of self-interest.

First, and straightforwardly, current, previous or indirect unemployment experiences determine a high level of self-interest with respect to generous labour market policies. In addition to these "objective" characteristics which increase the likelihood of welfare support, however, the "subjective" perception of risk might also influence welfare state attitudes (Hacker, Rehm and Schlesinger 2013). For instance, an individual's evaluation of their own unemployment risk (even if it was overly pessimistic), or an indirect experience of unemployment, sickness or disability among family members or friends, may influence the individual's welfare state attitudes.

However, there are also several socio-structural characteristics which may determine preferences for generous welfare support. Old age[32] represents a "classical" situation of need, where welfare state intervention is pivotal (Esping-Andersen 1990). In the context of labour market policies, elderly people

[32] The exact mechanisms which lead women and retired people to prefer particular levels of generosity are not always clear and concurring explanations are hard to rule out. I nonetheless think that these are interesting variables and that it is worthwhile exploring their effect.

are often at a higher risk of unemployment because their skills are outdated or their work is too costly in terms of social contributions. Thus, as shown for instance by Goul Andersen (2002), elderly people can be expected to be more supportive of welfare state benefits, and especially of those arrangements such as pensions from which they benefit most, as compared for instance to family allowances or other services. However, Goul Andersen's (2002) results are challenged by the findings of Hainmueller and Hiscox (2007: 425; 2006), who convincingly show that pensioners and people who are part of the labour force do not have different attitudes concerning international trade or increasing immigration. Even though these two phenomena increase competition for employees, workers are not less supportive of international trade or more supportive of a restriction of immigration policies than retired people (see also Hainmueller and Hiscox 2010). Also, the studies by Arts and Gelissen (2001) and Goerres and Tepe (2010) find that elderly people support intergenerational solidarity and that they do not endorse merely those policies that serve their self-interest. Apparently, the evidence with respect to the effect of decreasing self-interest because of old age, retirement or because people are not part of the active labour force is inconclusive. In the analyses I will therefore introduce controls to test the effect of age and retirement with respect to the endorsement of generous labour market policies.

A similar argument also applies for women, who are more likely to rely on welfare state support during the course of their life as compared to men because they may find themselves with low or no income, resulting from situations such as maternity leave and the need to care for sick relatives or children. In fact, a large number of studies, among them the ones by Sainsbury (1996) and Svallfors (1997: 290ff.), clearly show that female respondents are on average more supportive of generous welfare state benefits, independent of the specific programme.

Comparably, in line with the literature on labour market dualisation, it can be expected that labour market outsiders are more supportive (especially of unemployment benefits) because they are at a

higher redundancy risk. Whether people can be classified as labour market insiders or outsiders depends among other things on their skill level (Häusermann and Schwander 2009; 2012; Rueda 2005; 2006), the terms of their employment contract (Molina and Rhodes 2007; Jessoula and Alti 2010; Graziano 2007; Berton et al. 2009), and the sector they work in (Walter 2010; Rehm 2007), and may even be aggravated if more unfavourable conditions coincide. Accordingly, employees with low skill levels, working in atypical employment situations (part-time and fixed-term contracts) and in sectors which are more exposed to liberalisation pressures (private and financial sectors) should have more positive attitudes towards welfare state benefits than labour market insiders and the self-employed, who instead are likely to bear the costs of generous welfare programmes without directly profiting from them.

Similarly, Häusermann and Schwander (2009) and Schwander and Häusermann (2013) show that people with a higher socio-economic status are less likely to support increasing welfare state spending but are in favour of liberal, i.e. marginal, welfare state models or are less in favour of increasing social solidarity (Arts and Gelissen 2001; see also Bonoli and Häusermann 2009; 2012; Schwander and Häusermann 2013). Thus, it can be expected that the higher the income or the education level of a person, the less likely he or she is to support generous unemployment policies.

In sum, I am able to test rigorously the effect of different types of self-interest. Beyond exploring the effect of unemployment, I am also able to operationalise past unemployment experiences and individual risk perceptions. Moreover, I control for several additional individual characteristics which may lead to further positive attitudes towards generous welfare state intervention. In more detail, I control whether age, gender, labour market status (insider/outsider), and occupation type influence the support for generous unemployment policies as well.

Egalitarianism

A second theoretical strand put forward in the field of welfare state attitude research argues that *ideological orientations* (Margalit 2013; Alesina and Glaeser 2004) and *values* are pivotal predictors of the individual level of support for welfare benefits (Baslevent and Kirmanoglu 2011; Feldman and Steenbergen 2001) or, as Bonoli (2000: 437) puts it, "[r]espondents seem to answer questions more on the basis of values and norms, than on the basis of self-interest."

According to Arts and Gelissen (2001), preferences for more or less social solidarity are deeply embedded in European societies through the welfare state regimes, which influence attitudes towards social security programmes and people's ideas about the appropriate amount of redistribution to be achieved. To put it simply, welfare state arrangements can be based on two ideological approaches – stratification and equality. Thus, welfare states can arrange their benefit schemes along meritocratic mechanisms and hence stress the role of individual responsibility, self-reliance and individual freedom. Alternatively, welfare arrangements may be based on values such as egalitarianism, universalism and social solidarity (Hasenfeld and Rafferty 1989: 1029–1031). Broadly speaking, these different ideological orientations can be identified in the liberal and the social-democratic welfare states as illustrated by Esping-Andersen (1990). Differences in value orientations, however, can be expected not only at the country level but also at the individual level and, as argued in the literature, preferences for either *economic individualism* (i.e. self-interest) or *social equality* also influence attitudes towards welfare states (Blekesaune and Quadagno 2003; McColskey and Zaller 1984). Accordingly, the expectation is that the more a person is oriented towards *egalitarian values,* the more strongly he or she supports generous and redistributive unemployment policies (cf. Feldman and Steenbergen 2001: 659).[33]

[33] Feldman and Steenbergen (2001) focus on welfare state attitudes in the US and argue that in this national context

Deservingness perceptions

Along with egalitarianism, deservingness perceptions seem to affect individual attitudes towards welfare state schemes (van Oorschot 1998, 2006). The first study on "deservingness perceptions" by Coughlin (1980) found that people rank welfare state beneficiaries in different "deservingness categories", which have been shown to be very stable over time and across countries (van der Waal et al. 2010; van Oorschot 1998 and 2006; Blekesaune and Quadagno 2003; Taylor-Gooby 1985; Bonoli 2000). The beneficiaries considered the most deserving were revealed to be the elderly, followed closely by the sick and disabled, then needy families with children and, finally, the lowest degree of deservingness was attributed to the unemployed and immigrants. Several follow-up studies have confirmed this ranking order, demonstrating that these judgements seem to have deep cultural roots in Western societies. Hence, it is not surprising that policy-makers aware of public preferences often decide to retrench the benefits of those groups which are perceived as less deserving to avoid electoral loss (Pierson 2001; 1996). Van Oorschot (2006 and 2000) investigated the origins of these deservingness perceptions and argues that whether a person or a group of welfare state beneficiaries is considered to be "deserving" depends on five criteria: 1) control over the neediness; 2) the level of need; 3) the closeness to the "identity" of the person making the deservingness judgement; 4) the attitudes of the beneficiaries; and 5) the reciprocity expectations that the public has towards the unemployed. When applying and adapting these five criteria to the unemployed as a specific group of welfare state beneficiaries, the following assertions can be made. The first criterion suggests that people who are perceived to be personally responsible for their joblessness are considered to be less deserving than those who are hit by fate. In particular, those people who consider the causes of unemployment to be

egalitarianism provides an incomplete explanation, focusing instead on humanitarian values. For the European context, however, egalitarianism seems an appropriate concept.

behavioural rather than structural are likely to judge the unemployed as being less deserving of welfare state support as compared to the elderly, sick or disabled. According to the second criterion, the perception of deservingness depends on the "average" neediness of the unemployed as compared to other welfare state beneficiaries. In countries where the unemployed are comparatively well off, they are more likely to be considered undeserving. Third, a person judges the unemployed positively when he or she thinks that these are people like him- or herself, who just happened to lose their jobs because of an economic crisis or because of business restructuring. Fourth, when the unemployed are perceived as appreciating the support and, fifth, when most of them make a true effort to "pay back" their debt to society, they are likely to encounter more solidarity. Overall, the unemployed are perceived as the least deserving group, excepting immigrants, who above all do not have the same national origin (Larsen 2008a and 2008b; van Oorschot 2006).

Since the "un-deservingness" of the unemployed is often ascribed to a lack of initiative and individual engagement, one could suspect that this perception is strongly correlated to a liberal-conservative worldview or to a general disapproval of generous and interventionist welfare state schemes (van Oorschot 2006; van Oorschot and Halman 2000). However, as shown by Larsen (2006), the judgement of whether the unemployed are considered to be more or less deserving does not correlate simply with ideology or values but has a persistent effect even after controlling for left and right political preferences. In the author's words, the evaluation of deservingness is not a mere "reflection of basic egalitarian and anti-egalitarian values" (Larsen 2006: 134–135). Accordingly, it should be considered as an independent factor which may determine the public's attitudes towards labour market policies and thus controls for party preferences should be included.

In sum, the more a person perceives the unemployed as deserving welfare state benefits, the more he or she can be expected to endorse policies reducing unemployment or generously supporting people without work.

Beyond traditional explanations: how self-interest and values are related

In the literature on welfare state preference formation the above-described theories are often tested separately (or jointly) but without theorising on their connections (for a laudable exception see Margalit 2013; Hasenfeld and Rafferty 1989). In the following I argue that it might be helpful to think of self-interest and values as interconnected phenomena.

There are two ways in which values and self-interest may be related. First, self-interest may determine at least to some extent the values of a person and hence affect attitudes indirectly. This indirect effect might be due to social desirability, which inhibits the expression of blatantly self-interested preferences. Thus, people in weaker socio-economic positions or with experience of unemployment may be committed to egalitarian values not only because of socialisation or for moral reasons but also because they are aware of their interests and try to legitimise them in terms of their values.

Another perspective is disclosed by the sociological literature. There the argument that socialisation processes in the family or in the workplace may shape our habitus, our worldviews, and also more practically our party preferences is proposed (Oesch 2006; Kriesi 1998). Accordingly, individuals have "core beliefs" which are subject only to marginal and slow changes (for the role of core beliefs in the policy process compare also Sabatier and Weible 2007; Hall 1993). In this framework, the role of self-

interest could be compared to "external shocks", similar to the phenomena which are able to trigger "third-order" changes in the policy process (Hall 1993). Hence, a dramatic personal experience[34] such as unemployment might lead to changes first in value orientations and by consequence in political attitudes.

Thus, values such as egalitarianism or the perception that unemployed people are deserving of help may be determined at least to some extent by (the level of) self-interest. The first hypothesis on the mechanism underlying labour market policy attitudes hence expects an indirect effect of self-interest through values on attitudes.

Second, and alternatively an interaction relationship between values and self-interest is conceivable. It can be expected that since a high level of self-interest, highly egalitarian values and a strong convinction that that the unemployed deserve welfare support to some extent "substitute" each other leading to a "ceiling effect". I expect that the effect of egalitarianism (or deservingness) matters more for a person with a low level of self-interest than for a person with a very high level of self-interest. In fact, high self-interest leads to preferences for high generosity but preferences for generosity cannot increase indeterminately. Accordinlgy, I expect that the effect of both value orientation decreases for higher values of self-interest. On the contrary, the effect of egalitarianism on generosity preferences should be biggest for a person who never experienced unemployment, in fact, there the potential change in generosity preferences is highest.

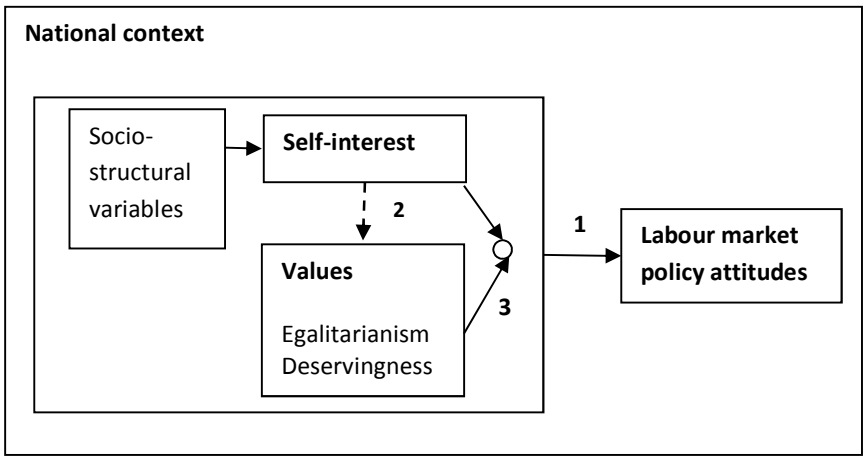
[34] Naturally, it is also conceivable that recurring experiences of, for instance, indirect self-interest lead to a slow change in preferences. Such a dynamic model of preference change cannot, however, be tested with the data at hand (cf. Margalit 2013 for a longitudinal study).

Model and hypotheses

In Figure 7 below, I propose a model of attitude formation in the domain of unemployment reduction policies, where I distinguish among three pivotal determinants: self-interest, values and deservingness perceptions.

As argued in the theoretical section, several hypotheses about the influence of these explanatory factors can be deduced. First, self-interest may influence preferences for generous labour market policies in terms of objective and subjective unemployment risk, (prior) unemployment, and indirect unemployment. Moreover, the occupation type, the precariousness of one's employment status and different socio-structural variables (gender, age) may also determine the endorsement of generous labour market policies. Second, I expect that people adhering to egalitarian values support generous labour market solutions. Finally, I hypothesise that people considering the unemployed as deserving of efforts on the part of the welfare state are more inclined to favour generous policy solutions.

Figure 7: Labour market policy attitudes determinants



Furthermore, shows three different mechanisms through which preferences can be expected to be built. First, and most straightforwardly, the direct effects of both self-interest and values can be theorised to shape attitudes towards generous labour market policies (number 1 in Figure 7). Second, I argue that self-interest might exert an indirect effect on attitudes through values (number 2 in Figure 7) and finally it might also be conceivable that self-interest and values interact and reinforce one another (number 3 in Figure 7).

Data, operationalisation and methods

The dataset

The analyses are based on the first wave of a novel survey dataset on unemployment policies and on public perceptions of unemployment, which was collected in autumn 2010[35]. Approximately 1,500 persons in Denmark, France, Germany, Italy, the UK and Switzerland were asked to respond to a 20-minute online survey in October 2010. Hence, this dataset presents a unique opportunity to study labour market policy attitudes in detail and in a comparative research setting at the apex of the recent economic crisis. In fact, in addition to unemployment policy attitudes, the dataset includes a broad range of measures of unemployment (direct, indirect, current and previous unemployment), socio-structural variables, and questions on issue salience and on political participation.

Of course, this dataset also has some drawbacks, which are characteristic especially of online surveys, and need to be addressed in detail. Contrary to the experience in other online surveys the response rates were quite satisfactory (cf. Schemer and Wirth 2013). However, as discussed in the literature, online surveys are very likely to present some sources of bias. In particular, the elderly and low-skilled people, who are less likely to have access to the internet, are often underrepresented in these samples (for instance Berrens et al. 2003: 3–4). Unfortunately, this is also the case for the present dataset. This underrepresentation is rather high for young low-skilled people especially. To address these problems, in all the regression analyses weights have been applied. The weighting variable considers age, gender and education level[36] and helps to correct for the biases. Since in some categories the

[35] The dataset was collected by Module 4, Project 13 of the NCCR Democracy 21.

[36] All the analyses were run with and without weighting. The main differences concern the levels of significance of certain variables. Opposite directions in relationships could be identified only for non-significant variables.

underrepresentation is rather high, it has been decided to truncate the weighting at a maximum of 8. Truncation is suggested and applied in the major electoral surveys, although the extreme value is however subject to debate (DeBell and Krosnick 2009; cf. Schemer and Wirth 2013). Accordingly, it is still necessary to interpret the findings related to the groups of low-skilled respondents with particular caution.

Another problem, which is relevant when studying public attitudes, are biases introduced by differences in the levels of cognitive abilities of the respondent because these might influence both the attitudes[37] and the data quality. As illustrated in the political behaviour literature, there is controversy surrounding the question of whether people of low policy-specific sophistication are equally able to judge complex political issues as those with higher levels of sophistication (cf. Dalton 1985: 273). Thus, there are authors such as Converse (1964, 2000) or Zaller (2006 [1992]: 18) who argue that the man on the street does not have the necessary information to form *coherent* and *stable* political preferences. An alternative argument put forward in the political behaviour literature by authors such as Krosnick (1991) is that people of low policy-specific sophistication may show simplifying answering patterns, such as inconsequent or acquiescent answer strategies, which might be due to unfamiliarity with the issue, social desirability or low political interest and hence low commitment to responding to survey questions.[38]

Thus, in line with these arguments, I control whether the attitudes of respondents with high and low political sophistication differ in nature and in quality. Following Krosnick (1991), it is hence of pivotal

[37] As further analyses show, the attitudes of those with high and low levels of cognitive ability do not diverge.

[38] Less "pessimistic" authors such as Sniderman, Brody and Tetlock (1994) argue that even people who possess rather low levels of cognitive sophistication can form relatively coherent judgements by resorting to strategies, shortcuts or heuristics to achieve judgements that are equally effective as those of more sophisticated and possibly "intellectual" approaches. These questions, however, are beyond the scope of this paper.

importance to exclude that especially respondents with low policy-specific sophistication rely on "satisficing-answering strategies". The analyses reveal that acquiescence is indeed a problem. In fact, 6.14% of the respondents with low levels of policy-specific sophistication[39] and 0.84% of the respondents with high levels of political sophistication[40] answer choosing the same response category in all 12 items that compose the labour market policy battery. Since the questions are formulated half in a negative and half in a positive wording, it is highly improbable that "real preferences" correspond to the pattern indicated as problematic. Accordingly, I excluded these respondents from further analyses.

Even though 6% may seem a negligible amount, these acquiescent answers altered the results of the factor analyses quite dramatically. This result is thus in line with the political behaviour literature, which shows that people of low policy-specific sophistication more often make use of pragmatic response strategies and are more likely to be subject to social desirability and acquiescence tendencies. These tendencies may also be responsible for the finding that these voters have less stable and informed political attitudes (Krosnick 1991).

The dependent variable: country-specific labour market policy preferences

To operationalise the labour market policy attitudes, I run a factor analysis on five items which are most closely related to labour market and unemployment reduction policies.[41] First, I selected two items which aim to increase both the generosity of passive benefits and of state effort. The first item refers to

[39] See below for more details on the operationalisation of the cognitive sophistication levels.

[40] See Table 43 in the Appendix.

[41] Already in Chapter 3 on the labour market preference and coalition structures of the political elite I have relied on a similar battery composed of the same five variables and four additional ones.

the creation of jobs by the state.[42] Especially in continental welfare states, but also in Nordic countries, the expansion of public employment is a way of preventing unemployment and represents a generous position with respect to the unemployed. The second item, "raising the minimum wage", operationalises a state-led intervention to guarantee decent living standards for employees.

Then, I operationalised two of the activation strategies[43] which are discussed in the literature, i.e. human capital and the occupational models, as proposed by Barbier and Ludwig-Mayerhofer[44] (2004), Bonoli (2010) and Torfing (1999). The first strategy, i.e. the endorsement of the human-capital activation schemes, is captured by means of an item referring to the promotion of skills, i.e. "the promotion of (re)training programmes". The second activation type mostly relies on the swift reinsertion of the unemployed along the lines of the "occupational" model (Bonoli 2010) and is operationalised by the "promotion of labour market reintegration".

To operationalise policy measures which instead aim at increasing the individual self-reliance and market mechanism, I choose one item that captures preferences for retrenching passive benefits, i.e. "reduce unemployment benefits".

By means of an exploratory factor analysis, the five policy items, which were originally gauged on a scale ranging from 1 to 5 (strongly disagree–strongly agree), were collapsed into a single factor.

[42] For the exact question wording and the descriptive statistics, please refer to Table 35 and Table 36 in the Appendix.

[43] In the literature it is debated whether labour market insiders and outsiders are equally in favour of active and passive benefits (Rueda 2006). Here I follow Emmenegger's (2009) argument and do not distinguish between preferences which could be assumed to be constituency specific. Furthermore, it is difficult to draw a distinction between preferences for policies which could be due to the actual labour market policy situation of a respondent and those which might result as a consequence of the prospect of a future occupation that a person strives to achieve.

[44] The third activation strategy, which is often called "work-first", unfortunately could not be operationalised separately by means of the available items.

Table 27: Labour market generosity: factor solution for all respondents and by country

	All countries	Denmark	Switzerland	France	Italy	Germany	UK
Red. benefit	-0.23	-0.43	-0.39	-0.22	-0.01	-0.30	-0.23
Minwage	0.50	0.46	0.49	0.51	0.58	0.52	0.55
Statejob	0.53	0.48	0.52	0.45	0.54	0.56	0.61
Training	0.50	0.51	0.55	0.54	0.48	0.51	0.47
Reintegr	0.47	0.50	0.48	0.51	0.54	0.50	0.32
Eigenvalue	1.047	1.136	1.178	1.057	1.153	1.186	1.051
N	8627	1433	1508	1451	1372	1430	1433

*Cases with acquiescent answering strategies were dropped from the samples.

The dimensionality of the preference structure (factor) is modelled separately for all countries together and for each country separately. The results of the general and the country-specific factor analyses were then used as dependent variables for the respective WOLS regression analyses, to enquire as to whether self-interest, values and deservingness affect the individual unemployment policy preferences. As shown in Table 27 the preference factor depicts positive (high) loadings if a person prefers generous policy measures and negative (smaller) values if a person prefers retrenching measures.

The first insight delivered by Table 27 is that in all countries, as expected, the chosen items load on a single factor.[45] The item "reduction of unemployment benefits" loads negatively whereas "increasing the minimum wage", "increasing public job creation", "increasing training effort" and "increasing reintegration efforts" load positively. However, the detailed composition of the factor, and hence of the preference structure, varies slightly between the single countries. The most apparent peculiarity, which however can be easily explained in terms of labour market policy legacies, is that the loading for "reduction of benefits for the unemployed" in Italy is non-existent. In contrast to other western European states, the welfare protection in the domain of unemployment in Italy is marginal and strongly

[45]The adequacy of the one-factor models was tested against solutions with two or more factors, and the screeplots clearly indicated the one-factor solution to be the most suitable.

fragmented. Hence, independently of their political preferences, their value orientations or of their social background, most people disapprove of policies aimed at reducing unemployment benefits. Also, in the other dualising countries, i.e. France, Germany and the deregulating country UK, the reduction of unemployment benefits seems to play a less relevant role in determining the independent variable "labour market policy generosity" as compared to Switzerland and Denmark, where it loads rather highly.

In the following section, I briefly discuss the operationalisation of the explanatory and control variables which were included in the WOLS analyses, aiming at explaining which factors influence labour market attitudes in the six western European countries included in this study.

The independent variables

I operationalised the narrow definition[46] of self-interest[47] in the domain of labour market policy attitudes in four different versions. First, a dummy variable was used to capture whether the respondent was unemployed at the time of the survey. Second, I broadened the definition of self-interest to include not only people who are currently unemployed but also those respondents who have been unemployed at least once in their life. Third, I include a variable measuring indirect self-interest, which is captured by the question regarding whether members of their family or friends have been unemployed during the 12 months prior to the interview.

[46] With a narrow definition of self-interest I refer to those operationalisations which capture self-interest mainly in terms of unemployment status.

[47] For descriptive statistics, see Table 36 in the Appendix.

I also constructed an index of objective self-interest based on whether a person is currently unemployed, has ever been unemployed in his or her life and/or has experienced unemployment among family or friends. I attributed zero points to all those respondents who had no experience with unemployment whatsoever, one point when one of the criteria was fulfilled, two points when two criteria were fulfilled and three points to respondents who were unemployed at the time of the survey, had already experienced unemployed in the past *and* had family members or friends who are unemployed.

Finally, a measure for "subjective" self-interest was also included, since the argument that "[i]f men define situations as real, they are real in their consequences" (Thomas, in Striker 1980) might also apply to the evaluation of unemployment risk and hence might affect attitudes independently of whether these perceptions are well grounded. This variable is based on the question which asks the respondents to self-assess their likelihood of becoming unemployed in the next 12 months.[48]

Moreover, as argued in the theory section, several socio-structural variables may involve a higher likelihood of becoming unemployed or being more in favour of generous labour market policies because of a self-interested cost–benefit calculation. Accordingly, broadening the definition of self-interest I include gender (female), age (in years), income levels (five income classes) and "high education" (ISCED 5-ISCED 6). Unfortunately, this dataset does not allow for an operationalisation of outsiderness by means of the Oesch scheme (2006, see Kriesi 1998), which is based on the eight-digit ISCO codes. I thus have to rely on an approximation of the concept and include part-time employment and an interaction term between part-time work and gender, controlling for the occupation type[49]. In line with Hainmueller

[48] The answers were gauged on a scale from 1 to 4 (not at all likely to very likely).

[49]The International Standard Classification of Occupations (ISCO) is a classification system provided by the International Labour Organization (ILO) which allows for the classifying and grouping of occupation types. The scheme is provided in four different

and Hiscox (2006; 2007; 2010), I expect that generous labour market policies are irrelevant to people who are not part of the labour force or even are a burden in terms of taxes. Pensioners should endorse less generous labour market policies, hence, I introduce a variable capturing whether a respondent is retired (dummy).

In the next step I operationalised the values towards the unemployed, i.e. the perception of whether these people are deserving of welfare state support, by means of a factor composed of three items (Table 37 in the Appendix). The respondents were asked whether, first, they agree that "most unemployed people are not really interested in finding a job", second whether "most unemployed people are still well off", and third "if people do not find a job after a prolonged spell of unemployment it is their own fault[50]". The factor model shows that all these items result in values at least as high as 0.70 and have an eigenvalue of 1.66, which is more than adequate to consider it as a strong uniform scale (Kaiser criterion). The factor was inverted in order to have high factor values, meaning that a person who records a high value thinks the unemployed are deserving of welfare state support, whereas a low value indicates the opinion that the unemployed are deemed not to deserve benefits.

An egalitarian value orientation[51] has been operationalised by a factor consisting of the items "Better-off people should pay more towards supporting the unemployed" (factor loading 0.614), "Social

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versions depending on its level of aggregation. In the present case I can rely only on an approximation, i.e. the one-digit codes, which corresponds to a very general distinction of occupations: 0) Armed forces; 1) managers; 2) professionals; 3) technicians; 4) clerks; 5) service and sales workers; 6) agricultural, forestry and fishery workers; 7) craft and trade worker; 8) plant and machine operators; 9) elementary occupations.

[50] The answers were gauged on a scale from 1 to 5 (completely disagree to completely agree).

[51] All the analyses have been replicated with another operationalisation of egalitarianism which relies on the item "He thinks it is important that every person in the world should be treated equally. He believes everyone should have equal opportunities in life." This item is taken from the Schwartz (1992; 1994) value battery and operationalises egalitarian values. The results could

inequality should be reduced" (0.646), and "Solidarity with the unemployed should be increased" (0.608), relying on the Kaiser criterion, whose eigenvalue of 1.434 can also be considered adequate. Also in this case, higher variables mean a stronger adherence to egalitarianism and social equality (Table 37 in the Appendix). Then, various interaction terms between "deservingness", "egalitarianism" and the different "self-interest" variables were built.

To test for the argument proposed by Larsen (2006) that egalitarianism is not equivalent to party preferences I include party preference for communist/extreme left, left, centrist, right and radical right parties.[52] I decided to use party preferences because these can be expected to be more stable in time and hence come closer to "values" than the actual vote choice, which instead could depend on situational factors.

Finally, I operationalised the sophistication control variable following Zaller (2006 [1992]) by means of five knowledge-based questions about unemployment and labour market policy (see Table 38 in the Appendix) and divided the respondents into two groups according to the score they reached in this "test". According to this procedure a high policy-specific sophistication level was reached by 49.79% of the sample; the remaining 50.21% of the respondents were instead not able to respond correctly to more than three questions.

Since it is plausible that highly educated people are more sophisticated with regard to labour market policies than people with a lower education level, I ran a correlation analysis to control for this possibility.[53] It showed that even though as education levels increased the share of the politically

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be shown to be stable with both operationalisations; the only difference is that indirect unemployment matters more with the Schwartz operationalisation than previous experience with unemployment.

[52] For the classification of national parties in these party families please refer to Table 42 in the Appendix.

[53] In addition to the even distribution of the respondents in the two sub-groups, I choose to set the threshold at a minimum of

unsophisticated decreases, policy-specific sophistication and education are not very strongly correlated. In fact, in the highest education category (ISCED[54] 5-6) there are still 35.4% of respondents who were not able to answer more than three questions correctly, whereas 30.5 % of the people with the lowest education (ISCED 0-2) were able to respond correctly to at least four questions (Table 39 in the Appendix). Evidently, education and policy-specific political sophistication do not necessarily go hand in hand.

At this point one could raise the objection that people with higher political sophistication or with a higher education level are less likely to have experienced unemployment in their careers and that "self-interest" merely captures some kind of cognitive skill bias. However, the imbalance in the number of respondents with high and low levels of political sophistication, divided into people who have experienced unemployment at least once in their lives and those who have not yet experienced unemployment, is not dramatic. In detail, 41.71% of the respondents with a higher education (ISCED 5-6) as compared to 58% of those with lowest education levels (ISCED 0-2) have already experienced unemployment. Moreover, it can be shown that while 50.2% of the respondents with low policy-specific sophistication have already experienced unemployment, this experience is shared by 43.05% of those with high policy-specific sophistication (see Table 40 and Table 41 in the Appendix).

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four correct answers because the questions were easily answerable. The highest correlation (analyses not shown) exists between the highest education level (ISCED 5-6) and the highest sophistication level (0.21). The correlations between the low/middle education levels and the low cognitive sophistication levels are 0.08 and 0.15, respectively.

[54] The International Standard Classification of Education (ISCED) is a classification system developed by the United Nations Education, Scientific and Cultural Organization (UNESCO), which allows for comparison of national education systems and their related qualifications. The classification is based on information related to the structure and curricula of the national education systems. The ISCED classification distinguishes between seven educational levels, varying from no formal education (ISCED 0) to having a doctoral degree (ISCED 6). For more information, see www.usis.unesco.org.

The determinants of unemployment preferences in six western European countries

In this section I focus on analysing whether and how self-interest, deservingness and values influence unemployment policy attitudes among the respondents in Denmark, France, Germany, Italy, Switzerland and the UK. For this purpose I ran a general WOLS regression model, which includes the respondents from all countries, and in a second step I analysed the country-specific samples separately. As dependent variables I used the factors displayed in Table 27 in the methods section.

In Table 28 and Table 29 below, the models including different specifications of self-interest but without values are presented. In a second step (Table 30 and Table 31), I then introduce egalitarianism and deservingness to detect indirect effects of self-interest by keeping the sample constant. Finally, in Table 32 I display the different interaction results for the self-interest and value variables.

Table 28: Explaining preferences for generous labour market policies with self-interest

Generosity	(1) Objective self-interest		(2) Objective and subjective self-interest		(3) Self-interest Index		(4) Dualisation		(5) Retirement	
Jobless	**0.216*****	**(0.051)**								
Previously unemployed	**0.087****	**(0.029)**	**0.123*****	**(0.034)**						
Indirect unempl.	**0.157*****	**(0.028)**	**0.133*****	**(0.033)**						
Very low perceived risk										
Low perceived risk			0.042	(0.037)	0.042	(0.037)	0.042	(0.037)		
High perceived risk			0.107°	(0.059)	0.107°	(0.059)	0.109°	(0.059)		
Very high perceived risk			**0.231*****	**(0.060)**	**0.230*****	**(0.060)**	**0.232*****	**(0.059)**		
Index self-interest					**0.128*****	**(0.024)**	**0.128*****	**(0.024)**		
Part-time							-0.047	(0.069)		
Fem*part							0.012	(0.084)		
Retired									-0.083°	(0.048)
Female	**0.183*****	**(0.028)**	**0.185*****	**(0.034)**	**0.186*****	**(0.034)**	**0.193*****	**(0.040)**	**0.188*****	**(0.029)**
Age	0.005***	(0.001)	0.006***	(0.001)	0.006***	(0.001)	0.006***	(0.001)	0.006***	(0.001)
High edu.	-0.130***	(0.030)	-0.142***	(0.035)	-0.142***	(0.035)	-0.143***	(0.036)	-0.132***	(0.030)
High soph.	0.038	(0.029)	0.052	(0.036)	0.052	(0.036)	0.052	(0.036)	0.045	(0.030)
Income 1										
Income 2	0.050	(0.048)	0.126*	(0.064)	0.126*	(0.064)	0.124°	(0.064)	0.003	(0.049)
Income 3	-0.063	(0.047)	0.019	(0.061)	0.019	(0.061)	0.017	(0.061)	-0.124**	(0.047)
Income 4	-0.115*	(0.049)	-0.043	(0.063)	-0.043	(0.063)	-0.047	(0.063)	-0.205***	(0.049)
Income 5	-0.139*	(0.058)	-0.051	(0.070)	-0.051	(0.069)	-0.056	(0.069)	-0.227***	(0.060)

Table 29 (continued): Explaining preferences for generous labour market policies with self-interest

Academic										
Senior off.	-0.059	(0.062)	-0.079	(0.082)	-0.079	(0.082)	-0.082	(0.082)	-0.059	(0.065)
Clark	-0.017	(0.041)	0.049	(0.048)	0.048	(0.048)	0.047	(0.048)	-0.025	(0.042)
Sales	0.014	(0.057)	0.006	(0.069)	0.005	(0.068)	0.006	(0.068)	0.039	(0.057)
Service	0.103*	(0.044)	0.123*	(0.051)	0.123*	(0.051)	0.124*	(0.051)	0.107*	(0.046)
High work	0.012	(0.055)	-0.056	(0.064)	-0.056	(0.064)	-0.058	(0.064)	0.021	(0.056)
Middle work	0.129	(0.085)	0.237**	(0.092)	0.236**	(0.092)	0.235*	(0.092)	0.129	(0.088)
Low work	0.072	(0.071)	0.077	(0.085)	0.076	(0.084)	0.079	(0.084)	0.098	(0.072)
Agriculture	-0.282*	(0.135)	-0.221	(0.147)	-0.222	(0.147)	-0.224	(0.148)	-0.290°	(0.151)
A. forces	-0.027	(0.155)	-0.399**	(0.137)	-0.398**	(0.136)	-0.398**	(0.136)	-0.034	(0.156)
Crafts	0.130	(0.111)	0.161	(0.208)	0.161	(0.209)	0.168	(0.210)	0.149	(0.116)
Switzerland										
Germany	0.208***	(0.047)	0.172**	(0.054)	0.172**	(0.054)	0.167**	(0.054)	0.228***	(0.048)
France	0.212***	(0.045)	0.225***	(0.054)	0.224***	(0.053)	0.217***	(0.054)	0.255***	(0.044)
Italy	0.216***	(0.054)	0.223***	(0.063)	0.223***	(0.063)	0.216***	(0.063)	0.271***	(0.052)
UK	0.077°	(0.043)	0.058	(0.054)	0.057	(0.054)	0.053	(0.053)	0.096*	(0.043)
Denmark	0.069°	(0.042)	0.034	(0.048)	0.035	(0.047)	0.028	(0.047)	0.095*	(0.041)
Constant	-0.515***	(0.084)	-0.669***	(0.099)	-0.669***	(0.099)	-0.664***	(0.100)	-0.353***	(0.084)
R^2	0.106		0.115		0.115		0.116		0.085	
adj. R^2	0.101		0.107		0.108		0.107		0.080	
N	4559		3116		3116		3116		4559	

Standard errors in parentheses, $^{\circ}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.
Cases with acquiescent answering strategies were dropped from the sample.

Turning to the results in Table 28 I find that most of the self-interest variables exert a positive and significant effect on preferences for generous labour market policies. In Model 1 all three indicators of objective self-interest – i.e. current joblessness, a past or an indirect unemployment experience among family members or friends – increase the endorsement of generosity. Interestingly, and along the lines of the welfare state attitude research, women are more supportive of generous policies (Sainsbury 1996; Svallfors 1997).

In Model 2 the objective unemployment variables[55] and the subjective evaluation of the person's own unemployment risk were introduced. Consequently, with increasing perception of unemployment risk, the endorsement of generous labour market policies becomes stronger and more significant. These findings do not change when substituting joblessness, direct and indirect unemployment experience for the index of self-interest (Model 3). Model 4 displays the specification of the dualisation hypothesis. I introduced part-time work and the interaction term between part-time work and gender in the equation. The findings however do not support the hypothesis that an outsiderness status matters with respect to labour market preference formation. However, when analysing the country-specific regression results[56], we find that "outsiderness" matters in Italy, the country which is probably affected most by this phenomenon as also became evident when analysing the media debates at the time of the survey (see Chapter 2). Finally, in Model 5 I answered the question of whether retired people prefer less generous labour market policies to reduce welfare state expenditures on programmes that do not directly benefit them. As the coefficient shows, no such relationship can be found (the effect is significant only at the 10% level, which is deemed to be insufficient). These results thus add support to

[55] Jobless respondents could not be included in these analyses since those respondents were not asked the "subjective evaluation questions".

[56] Not displayed here; available upon request.

the findings by Goerres and Tepe (2010), who show that intergenerational solidarity matters and that pensioners do not act in mere self-interest.

Now, I briefly describe the effects of the control variables introduced in the five models. First, models 1 to 5 show that the older a person is the more likely he or she is to support generous labour market policies. Highly educated people significantly endorse decreasing levels of labour market policy generosity, whereas political sophistication has no effect. The income variables do not show a clear pattern, except for Model 5 where along with the expectations, with increasing income leads to endorse less generous measures. I also controlled for the occupation of a person and the results show that service workers are slightly more amenable to generous policies as compared to academics and that this is the case also for workers with middle levels of qualifications and craft workers (even though the coefficients do not always meet the significance criteria). On the contrary, agriculture workers and members of the armed forces by tendency favour reductions of generosity.

Table 30 and Table 31 show how the results change after introducing values and controlling for party preferences[57] for the (same) 4,559 and 3,116 respondents, respectively. Interestingly, and along the hypothesis that self-interest might exert an indirect effect through values on preferences, Table 30 shows that the effect of several self-interest variables is "absorbed" by egalitarianism and deservingness.

[57] In further analyses not shown here I ran the regressions in Table 30 without controls for party preferences. The introduction of party preferences reduces the size of the effects, but the significance levels and the directions of the relationships are perfectly stable.

Table 30: Explaining preferences for generous labour market policies with self-interest, deservingness and egalitarianism

Generosity	(1) Objective self-interest		(2) Objective and subjective self-interest		(3) Self-interest Index and subjective self-interest		(4) Dualisation		(5) Retirement	
Egalitarian	**0.460*****	**(0.021)**	**0.467*****	**(0.024)**	**0.467*****	**(0.024)**	**0.468*****	**(0.024)**	**0.465*****	**(0.021)**
Deserving	**0.068*****	**(0.016)**	**0.098*****	**(0.019)**	**0.098*****	**(0.019)**	**0.098*****	**(0.019)**	**0.075*****	**(0.016)**
Jobless	0.084*	(0.049)								
Previously unemployed	0.021	(0.026)	**0.061***	**(0.029)**						
Indirect unempl.	**0.052***	**(0.024)**	0.036	(0.027)						
Very low perceived risk										
Low perceived risk			-0.003	(0.032)	-0.003	(0.032)	-0.002	(0.032)		
High perceived risk			-0.002	(0.050)	-0.002	(0.050)	0.003	(0.050)		
Very high perceived risk			0.053	(0.052)	0.055	(0.052)	0.058	(0.052)		
Index self-interest					**0.048***	**(0.019)**	**0.048***	**(0.019)**		
Part-time							-0.089	(0.058)		
Fem*part							0.017	(0.074)		
Retired									-0.028	(0.043)
Female	**0.129*****	**(0.025)**	**0.140*****	**(0.029)**	**0.139*****	**(0.029)**	**0.154*****	**(0.035)**	**0.130*****	**(0.025)**
Age	0.001	(0.001)	-0.000	(0.001)	-0.000	(0.001)	-0.000	(0.001)	0.001	(0.001)
High edu.	-0.093***	(0.025)	-0.106***	(0.029)	-0.107***	(0.029)	-0.109***	(0.030)	-0.093***	(0.025)
High soph.	-0.022	(0.027)	-0.006	(0.032)	-0.006	(0.032)	-0.007	(0.032)	-0.023	(0.027)
Income 1										
Income 2	0.068	(0.046)	0.087	(0.066)	0.086	(0.065)	0.082	(0.065)	0.053	(0.046)
Income 3	-0.000	(0.044)	0.038	(0.061)	0.037	(0.061)	0.033	(0.061)	-0.019	(0.043)
Income 4	0.006	(0.046)	0.036	(0.061)	0.034	(0.061)	0.027	(0.062)	-0.021	(0.046)
Income 5	0.042	(0.049)	0.092	(0.063)	0.090	(0.063)	0.080	(0.063)	0.017	(0.049)

Table 31 (continued): Explaining preferences for generous labour market policies with self-interest, deservingness and egalitarianism

Academic										
Senior off.	-0.016	(0.047)	0.008	(0.055)	0.007	(0.055)	0.002	(0.055)	-0.015	(0.048)
Clark	0.004	(0.035)	0.069°	(0.040)	0.070°	(0.040)	0.069°	(0.040)	0.001	(0.035)
Sales	0.050	(0.051)	0.079	(0.059)	0.082	(0.059)	0.084	(0.059)	0.057	(0.051)
Service	0.051	(0.038)	0.075°	(0.042)	0.076°	(0.042)	0.079°	(0.041)	0.051	(0.038)
High work	-0.010	(0.051)	-0.044	(0.055)	-0.043	(0.055)	-0.048	(0.056)	-0.008	(0.051)
Middle work	0.095	(0.068)	0.208**	(0.072)	0.209**	(0.072)	0.205**	(0.071)	0.095	(0.069)
Low work	-0.083	(0.064)	-0.079	(0.079)	-0.077	(0.079)	-0.071	(0.079)	-0.078	(0.064)
Agriculture	-0.328**	(0.110)	-0.261*	(0.128)	-0.258*	(0.128)	-0.260*	(0.129)	-0.333**	(0.112)
A. forces	0.012	(0.129)	-0.271*	(0.133)	-0.273*	(0.134)	-0.272*	(0.132)	0.013	(0.129)
Crafts	0.067	(0.102)	0.163	(0.170)	0.163	(0.169)	0.176	(0.174)	0.070	(0.102)
Centre										
Communist	-0.093	(0.076)	-0.038	(0.077)	-0.036	(0.077)	-0.035	(0.076)	-0.091	(0.077)
Left	0.089*	(0.035)	0.095**	(0.036)	0.094**	(0.036)	0.094**	(0.036)	0.090*	(0.035)
Right	-0.039	(0.036)	0.028	(0.039)	0.027	(0.039)	0.026	(0.039)	-0.035	(0.036)
Rad. right	0.095	(0.064)	0.118°	(0.066)	0.118°	(0.067)	0.116°	(0.066)	0.094	(0.064)
Switzerland										
Germany	0.171***	(0.039)	0.170***	(0.042)	0.171***	(0.042)	0.161***	(0.042)	0.177***	(0.040)
France	0.102**	(0.039)	0.137**	(0.046)	0.139**	(0.046)	0.126**	(0.046)	0.113**	(0.039)
Italy	0.132*	(0.053)	0.167**	(0.055)	0.167**	(0.055)	0.154**	(0.055)	0.148**	(0.052)
UK	0.228***	(0.040)	0.234***	(0.050)	0.237***	(0.050)	0.230***	(0.050)	0.236***	(0.040)
Denmark	0.069°	(0.037)	0.067	(0.044)	0.063	(0.043)	0.049	(0.043)	0.078*	(0.037)
Constant	-0.263***	(0.077)	-0.323***	(0.091)	-0.324***	(0.091)	-0.314***	(0.092)	-0.209**	(0.078)
R^2	0.394		0.411		0.411		0.413		0.392	
adj. R^2	0.390		0.405		0.405		0.406		0.388	
N	4559		3116		3116		3116		4559	

Standard errors in parentheses, $^{\circ}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.
Cases with acquiescent answering strategies were dropped from the sample.

Most clearly, the effect of current unemployment is captured by values. This result suggests that people who are currently unemployed might use value-related arguments to legitimise their self-interest. Also, the effect of previous experiences of unemployment becomes more unstable and appears to be significant only in Model 2, where joblessness had to be omitted since the questions on subjective unemployment risk were asked only to employed people and hence are likely to capture this effect. Interestingly, the *perception* of subjective unemployment risk is captured fully by the value dimension. This suggests that perceptions and values are strongly interlinked.

The results for the dualisation and the retirement specification (Models 4 and 5) do not change; in fact, no significant effect can be found for the sample including all countries contemporaneously.

The control variables seem, overall, to be rather stable. The only exception is "age", which becomes non-significant when controlling for values. Finally, party preferences also matter: as compared to a respondent sympathising with the political centre, people who favour the political left are more supportive of generous labour market policies. Interestingly, this seems also to be the case for voters supporting the radical right who, compared to respondents from the political centre, endorse generous policies (the significance level is, however, merely 10%). Comparing this model specification with a model where self-interest and party variables were introduced (without values) the result is that most of the effect of partisan attachment exerts an indirect effect though the value variables. In fact, a strongly positive effect on generosity appeared not only for the left but also for the communists and strongly negative effects for the right party voters.

As the results from the analyses in Table 28, Table 29, Table 30 and Table 31 suggest, self-interest and values exert direct effects on preferences for generous labour market policies; however, I could also show that self-interest at least partially determines respondents' values as well.

Turning briefly to the quality of the models, the analyses indicate that the explained variance (adj. R^2) for the models including only the self-interest variables is on average between 5 and 11%, whereas when introducing egalitarianism and deservingness the explained variance rises to between 35 and 50%; they are therefore actually very high.

The analyses depicted in Table 28 and Table 30 were also run for each country separately.[58] In Denmark, rather than a previous experience of unemployment it is current unemployment that exerts a direct effect on preferences when controlling for values and party preferences. In France, whereas before controlling for values an indirect experience of unemployment (positive) and retirement (negatively) significantly affected preferences for generous policies, no effect could be found once controls for values and party preferences were introduced. Germany is an interesting case where all of the objective self-interest variables (current, previous, indirect unemployment and the index) have significant positive effects on generosity preferences and where all these relationships hold when controlling for values. In Italy in particular the perception of being at high unemployment risk and a labour market outsider status increase preferences for more generous labour market policies, and these relationships are stable and hold also when controlling for values.

In Switzerland perceptions are significant predictors of attitudes but disappear completely when controlling for values. A similar picture appears for the UK where subjective unemployment risk perception is the best predictor of preferences; however, as in Switzerland, any significant effect of self-interest is absorbed by values and party preferences.

Interestingly, whereas in all countries egalitarian values are highly and substantially significant, in Italy, France and in the UK deservingness does not play a role in predicting attitudes. This finding could be explained by the high unemployment levels. In fact, in such a context many people face unemployment

[58] Not shown here; available upon request.

in the long run and know plenty of jobless people. Accordingly, based on the individual experience it might be less meaningful to differentiate between the unemployed in terms of deservingness.

Next, I present some findings that shed light on the relationship between egalitarian- and deservingness-based judgments. As suggested by the previous analyses egalitarianism and deservingness perception do indeed capture different types of values. To analyse which variables influence these values I re-ran the analyses presented above with egalitarianism and deservingness as dependent variables[59]. Interestingly, I find that to some extent egalitarianism and deservingness perceptions predict each other and that previous and indirect unemployment experience increases the level of egalitarianism and the perception that the unemployed deserve support.

However, there are also differences between factors predicting these two values. First, it is noteworthy that current joblessness does *not* significantly influence egalitarian attitudes but is a strong predictor of whether a person perceives the unemployed as deserving. This result suggests that unemployed reduce cognitive dissonance and adapt their perception of unemployed once these belong to their in-group.

Second, I find that a high socioeconomic status in terms of high education, high policy-specific sophistication and high income have a significant negative effect on egalitarian value orientations. Thus, well educated people and people with high income by tendency are less egalitarian than low educated respondents and respondents with low income. Conversely, high educated and high sophisticated are less inclined to consider unemployed people as deserving welfare benefits.

Then, I test for interaction effects between self-interest, egalitarianism and deservingness to assess whether with increasing levels of self-interest the effect of values actually decreases as theorised above.

[59] Please refer to Table 43, in the Appendix.

As shown in Table 32 I found no significant result for the different interaction terms, but the constituting variables are all highly significant.[60]. However, when plotting the interaction effects (Figure 8) the marginal effects appear to be significant for specific values. In detail, Model 1 show that the marginal effect of deservingness on generosity is significant for people with no[61], low or middle levels of self-interest. Instead, it is non-significant for people who have a very high level of self-interest[62]. This finding is in line with the hypothesis and is very plausible since no additional contribution of values on generosity can be expected for people who, as a consequence to high levels of self-interest, already depict preferences for highly generous measures. Conversely, for people with low levels of self-interest deservingness can make a (small)difference. Similarly Model 2 shows that the marginal effect of egalitarianism on generosity decreases with increasing levels of self-interest and significant for all self-interest levels (the confidence intervals do not cross zero). Hence, as it is the case in Model 1 for the deservingness variable, egalitarian values influence generosity preferences more strongly when the level of self-interest is low.

Finally, in Model 3 I additionally plot the interaction between deservingness and egalitarianism. As it results it is significant for all respondents except those with very high levels of egalitarianism (values above 1). As in the previous models the marginal effect of deservingness on generosity decreases the more egalitarian a person is. These results suggest that self-interest, deservingness and egalitarianism

[60] I also tested whether joblessness, previous and indirect unemployment experiences taken separately (instead of the index) have significant effects interacted with deservingness and egalitarianism. However, even the analyses with these separate coefficients did not show significant results.

[61] People who have no self-interest are defined as those who are employed at the time of the survey, have no previous unemployment experience, nor family members or friends who were unemployment 12 months previous to the survey.

[62] These are people who are unemployed at the time of the survey, experienced a previous period of unemployment and have family members or friends who were unemployed 12 months previous to the survey.

are to some extent complementary and that people who score high on all these variables experience a kind of "generosity ceiling effect". In other words, when a person already prefers generous intervention because of for instance high egalitarian values, the endorsement of generosity cannot be increased beyond a particular level, even if in addition these people have high levels of self-interest. Conversely, the generosity-preferences of a person with low deservingness perceptions can be positively influenced by a change in the level of egalitarianism. This "convergence" of effects can be shown nicely with the adjusted prediction plots (Figure 9 in the Appendix). The Models 1-3 illustrate that with increasing levels of egalitarianism and deservingness perception, the difference between people with high and low levels of self-interest steadily diminish and finally almost converge. Similarly, for people with high egalitarian values it is irrelevant whether they think that the unemployed deserve support or not. Moreover, Models 1-3 also give an impression of the magnitude of the substantial effects of the various interactions, which appear to be rather small.

Table 32: Interaction results

Generosity	(1) Interaction egalitarianism and self-interest		(2) Interaction deservingness and self-interest		(3) Interaction egalitarianism and deservingness	
Deservingness	**0.098*****	**(0.019)**	**0.113*****	**(0.030)**	**0.097*****	**(0.019)**
Egalitarianism	**0.493*****	**(0.035)**	**0.468*****	**(0.024)**	**0.463*****	**(0.024)**
Index self-interest	**0.047***	**(0.019)**	**0.046***	**(0.019)**	**0.050***	**(0.019)**
Des*self-int.			-0.015	(0.022)		
Egali*self-int.	-0.026	(0.030)				
Des*egalit					-0.029	(0.019)
Very low perceived risk						
Low perceived risk	-0.003	(0.032)	-0.003	(0.032)	-0.005	(0.032)
High perceived risk	-0.002	(0.050)	0.000	(0.050)	-0.002	(0.050)
Very high perceived risk	0.058	(0.053)	0.057	(0.053)	0.057	(0.052)
Constant	-0.320***	(0.090)	-0.321***	(0.090)	-0.326***	(0.090)
R^2	0.412		0.412		0.412	
adj. R^2	0.405		0.405		0.406	
N	3116		3116		3116	

Standard errors in parentheses, $^{\circ}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.
Cases with acquiescent answering strategies were dropped from the sample. Controlled for age, gender, high education, high policy-specific sophistication, occupation, income, party preference and country dummies.

In a next step, I ran an analysis with a so-called "cross-pressured" group to inquire in more detail whether self-interest or value based explanations predict attitudes towards labour market policies better and how these variables relate to each other. The respondents of this sample are "hard cases" to test the explanation that self-interest-based explanations apply also for those people who are least likely to be at risk of unemployment, i.e. people with high income and high education.

Table 33: People with low levels of self-interest

	(1) High income, high education, high egalitarianism		(2) High income, high education, high egalitarianism		(3) + high deservingness		(4) + high deservingness		(5) + voting left		(6) + voting left	
Jobless	0.059	(0.164)			-0.038	(0.179)					-0.030	(0.197)
Indirect unemployment	0.028	(0.058)	0.022	(0.063)	0.060	(0.067)	0.056	(0.074)	-0.059	(0.097)	-0.028	(0.085)
Previous unemployment	**0.137***	**(0.067)**	**0.193****	**(0.075)**	**0.204****	**(0.076)**	**0.258****	**(0.089)**	0.074	(0.122)	0.065	(0.103)
Very low perceived risk												
Low perceived risk			-0.029	(0.076)			0.009	(0.084)	-0.041	(0.109)		
High perceived risk			0.005	(0.108)			-0.006	(0.131)	0.108	(0.176)		
Very high perceived risk			0.091	(0.120)			0.061	(0.125)	-0.177	(0.156)		
Female	**0.211*****	**(0.060)**	**0.269*****	**(0.066)**	**0.160***	**(0.066)**	**0.194***	**(0.076)**	0.101	(0.104)	0.072	(0.086)
Switzerland												
Germany	0.157	(0.111)	0.198°	(0.112)	0.212°	(0.122)	0.262*	(0.128)	0.279*	(0.134)	0.188	(0.135)
France	0.276**	(0.097)	0.277*	(0.110)	0.195°	(0.107)	0.227°	(0.125)	0.191	(0.160)	0.123	(0.134)
Italy	0.088	(0.091)	0.030	(0.096)	-0.003	(0.106)	-0.003	(0.113)	-0.078	(0.232)	-0.055	(0.218)
UK	0.157°	(0.083)	0.141	(0.092)	0.055	(0.095)	0.011	(0.109)	0.113	(0.148)	0.159	(0.127)
Denmark	0.176°	(0.099)	0.190°	(0.112)	0.181°	(0.109)	0.210°	(0.123)	0.093	(0.154)	0.108	(0.134)
Constant	-0.081	(0.107)	-0.052	(0.084)	0.054	(0.082)	0.014	(0.094)	0.282*	(0.109)	0.254**	(0.097)
R^2	0.074		0.111		0.078		0.113		0.049		0.023	
adj. R^2	0.054		0.086		0.054		0.077		-0.020		-0.021	
N	496		394		365		288		163		210	

Standard errors in parentheses
$^{\circ}$ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

In the analyses in Table 33 I included only those people who can be expected to have extremely low levels of self-interest and hence should not endorse generous labour market policies but are cross-pressured by high egalitarianism, and hold the perception that the unemployed deserve help, and who vote for leftist parties. I find that, contrary to the expectations a previous experience of unemployment is a significant predictor of preferences for generous labour market preferences even in this cross-pressured sample. Hence, self-interest seems to matter even controlling for values and high socioeconomic status. This is a very interesting finding and at least partially reinforces the argument that values and self-interest are related in more complex ways than has been expected or theorised by previous contributions (for laudable exceptions see Hasenfeld and Rafferty 1989). The result suggests that the respondents' generosity preferences can be influenced directly by self-interest and values. Moreover, I could show that when respondents have low levels of self-interest, egalitarian value orientations and deservingness-perceptions influence their preferences for generous labour market intervention more strongly. Conversely, the marginal effects plot show that the effect of values decreases for people with high levels of self-interest (ceiling effect).

Conclusion

The aim of this study has been to analyse the attitudes towards generous labour market policies in six western European countries in the context of the current economic crisis. I tested whether the decision-making mechanism that leads respondents to prefer generous and left-oriented policy measures is based on *self-interest*, as argued by authors such as Rehm (2007 and 2009), Margalit (2013), Hasenfeld and Rafferty (1989) and Blekesaune and Quadagno (2003), on *values* and *deservingness perceptions* as put forward by Bonoli (2000), Hainmueller and Hiscox (2006, 2007, 2010) and van Oorschot (1998; 2006), or whether these sets of explanatory variables interact in more *complex* ways. In fact, in line with Hasenfeld and Rafferty (1989) I argued that self-interest can be concealed by value argumentations and hence exert an indirect effect on preferences through values or that values and self-interest interact.

By means of a novel dataset on labour market and unemployment policies I was able to test these theories in great detail and with many different operationalisations of self-interest and value-based decision-making mechanisms. I could hence shed some more light on the mechanisms leading to compensation demand in the domain of labour market policy and hence investigate a pivotal aspect of the political "demand side" (Bonoli 2000), which has been neglected as compared to the analysis of the political supply side. In fact, the impacts of the crisis, as well as the effects of the reforms introduced to reduce unemployment and how these affect welfare state regimes, have been studied in depth and from many perspectives (Ferrera and Gualmini 2004; Clasen and Clegg 2011; Bonoli and Natali 2012). Accordingly, I focused on inquiring into the labour market attitudes and the variables influencing the decision-making processes of those people who are most directly concerned with the consequences of the current times of austerity and labour market upheaval.

The main result of the empirical analyses is that both self-interest and value-based theories contribute to explaining a part of the attitude-formation process. However, beyond the findings that these variables exert a direct effect on labour market policy attitudes, I could also show that self-interest exerts also an indirect effect on preferences through values and that the effect of values is reduced the higher the level of self-interest is Hence, a simplistic theoretical view on public attitude formation in terms of testing merely self-interest and/or values does not do justice to the underlying preference-formation mechanisms. I could show for instance that values have substantially bigger effects than the individual self-interest variables. With respect to the current debate on whether we should focus on capturing perceived or objective unemployment risk (Rehm 2007 and 2009), my results suggest that the perceived risk operates along the lines of value-based explanations and that once controlling especially for egalitarianism the effects disappear. Conversely, a previous unemployment experience in particular exerts significant and positive effects on the endorsement of generous labour market policy preferences, even when controlling for values and party preferences.

In other words, I could show that both theoretical strands referring to the *homo economicus* and the *homo sociologicus* based explanations make a good point. First, the more a person adheres to egalitarian ideas, the stronger is his or her support for generous labour market policies. Second, the analysis demonstrated that having positive deservingness perceptions, i.e. having a positive evaluation of the unemployed with respect to the five criteria proposed by van Oorschot (2006), is a good predictor of whether a respondent endorses generous policy measures. Third, I could show that all self-interest variables have significant positive effects when not controlling for values, and that this effect remains stable after introducing "egalitarianism" and "deservingness", especially with respect to the variable capturing a previous unemployment experience and (not surprisingly) the index which combines the three self-interest indicators. However, I also showed that the effect of values on the endorsement of generosity decreases with increasing level of self-interest.

Additionally, I found that gender and some occupational groups (clerks and middle skilled workers) lead to a stronger endorsement of generous labour market policies, whereas high levels of education decrease the endorsement of generous labour market policies. I could also find support for the findings by Larsen (2006), who argued that values and party preferences exert independent effects on attitudes. Finally, outsiderness status and retirement were shown to have no effect on preferences whatsoever.

Another interesting result of the empirical analyses is that while the significance patterns and the variable combinations predicting the labour market attitudes of respondents with high and low levels of policy-specific sophistication do not differ, the quality of their decision-making process does seem to do so (Krosnick 1991). This is the reason why I excluded such respondents from the analysis. The results hence suggest that when dealing with survey data, it is pivotal to address the biases deriving from satisficing-answering strategies, which seem to be more frequent among the less politically sophisticated respondents (6% compared to 0.8%).

In sum, the present contribution showed that individual value orientations such as egalitarianism and deservingness perceptions, as well as self-interest, are essential variables in explaining preferences for generous welfare interventions benefiting the unemployed. My findings challenge the theoretical distinction between the rational-choice approaches proposed in the political economy literature and the more sociologically oriented theories and suggests that politically relevant decision-making is not only about economic interests and rationality but that value orientations and hence, for instance, (familiar) socialisation should not be neglected.

In my opinion it is pivotal for further research to focus on finding ways to include value-based explanations and indirect/interaction relationships between self-interest and values in welfare state attitude-formation theories. A good example in this respect is proposed by Oesch (2006, 2008), who in addition to determining class interests in terms of skill levels (and hence rational economic preferences)

also includes a value-based dimension, i.e. the "work logic", to determine differing preferences within social classes.

Furthermore, it could be interesting to study under which conditions values or deservingness perceptions can be influenced. For instance, it can be expected that politicians could be able to influence the deservingness perceptions in regard to the unemployed through public debate, and hence that they might be able to change the equilibrium of popular support for either left- or right-oriented policy measures. Hence, studying the effect of national deservingness discourses could be a promising way to inquire into the variables influencing individual policy attitudes in more detail.

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Appendix

Table 34: Policy-specific political sophistication

Acquiescence (N)	Low sophistication	High sophistication
CH	11	4
DE	49	3
FRA	30	11
ITA	82	5
UK	57	4
DK	49	7
Total cases (N)	278	34
% of valid cases	6.14%	0.84%

Acquiescent patterns were determined over the whole item battery (12 Items).

Table 35: Question wording

	Item	Wording
1	**Reducbenef**	Reduction of unemployment benefits.
2	**Minwage**	Raising the minimum wage.
3	**Statejob**	The use of state programmes to create jobs.
4	**Training**	More retraining possibilities for the unemployed.
5	**Reintegr**	Reintegration in the labour market should be actively promoted.

Table 36: Descriptive statistics for all people[1)] in all countries

Variable	N	Mean	Std.d.	Min	Max
Reduc. Ben.	8627	2.67	1.29	1	5
Minwage	8627	3.66	1.18	1	5
Statejob	8627	3.57	1.13	1	5
Training	8627	3.99	0.95	1	5
Reintegr	8627	4.12	0.88	1	5
Generosity (factor)	8627	0.00	0.75	-2.81	1.33
Deservingness	8627	0.01	0.87	-2.07	1.17
Egalitarianism	8627	0.01	0.82	-2.42	1.36
Index self-interest	8627	1.11	0.83	0	3
Never unemployed	8627	0.47	0.50	0	1
Very low perceived risk	5701	0.32	0.47	0	1
Low perceived risk	5701	0.43	0.50	0	1
High perceived risk	5701	0.15	0.36	0	1
Very high perceived risk	5701	0.09	0.29	0	1
Indirect unemployment	8627	0.58	0.49	0	1
Jobless	8626	0.07	0.26	0	1
High sophistication	8627	0.51	0.50	0	1
Retired	8626	0.13	0.33	0	1
Age	8627	42.91	14.42	15	74
Female	8627	0.51	0.50	0	1
Part-time	8627	0.14	0.35	0	1
Income 1	7373	0.17	0.37	0	1
Income 2	7373	0.24	0.42	0	1
Income 3	7373	0.25	0.43	0	1
Income 4	7373	0.22	0.42	0	1
Income 5	7373	0.12	0.33	0	1
High education	8454	0.35	0.48	0	1
Academic	7752	0.20	0.40	0	1
Senior official	7752	0.06	0.24	0	1
Clark	7752	0.28	0.45	0	1
Sales	7752	0.10	0.30	0	1
Service	7752	0.15	0.36	0	1
High worker	7752	0.10	0.29	0	1
Middle worker	7752	0.04	0.18	0	1
Low worker	7752	0.05	0.22	0	1
Agriculture	7752	0.01	0.08	0	1
Armed forces	7752	0.01	0.08	0	1
Crafts	7752	0.01	0.08	0	1

[1)] Cases with acquiescent answering strategies were dropped.

Table 37: Deservingness and egalitarianism

Deservingness			**Factor loading**
	Here are some statements about unemployment. Please indicate whether you agree with these statements or not. Answers: 1 ”strongly disagree” to 5 “strongly agree”		
1	Most unemployed people are not really interested in finding a job		**0.746**
2	Most unemployed people are still well off		**0.773**
3	If people do not find a job after a prolonged spell of unemployment it is their own fault		**0.726**
		Eigenvalue	1.681
		N	8627
Egalitarianism			
1	Better-off people should pay more towards supporting the unemployed		**0.615**
2	Social inequality should be reduced		**0.646**
3	Solidarity with the unemployed should be increased		**0.610**
		Eigenvalue	1.443
		N	8627

Table 38: Policy-specific sophistication

Wording	Political parties have different positions on ways of fighting unemployment. What would you say: is it rather the parties on the left or the parties on the right which are ... Answers: left/right/don’t know
1	… in favour of cutting the support for the unemployed?
2	… in favour of the creation of jobs by government
3	… in favour of relaxing job protection
4	… in favour of increasing minimum wages
5	… in favour of restricting the admission of foreign workers

Table 39: Education and policy-specific sophistication

Education	ISCED 0-2	ISCED 3-4	ISCED 5-6	Total
Low policy-specific sophistication (N)	1002	2298	1097	4397
%	69.25	54.52	35.44	50.21
High policy-specific sophistication (N)	445	1917	1998	4360
%	30.75	45.48	64.56	49.79
Total (N)	1447	4215	3095	8757
Total %	100	100	100	100

Table 40: Education and unemployment risk

	Never been unemployed	Have been unemployed	Total
ISCED 0-2	582	865	1447
(%)	40.22	59.78	100
ISCED 3-4	2250	1965	4215
(%)	53.38	46.62	100
ISCED 5-6 (N)	1804	1291	3095
(%)	58.29	41.71	100
Total (N)	4636	4121	8757
Total %	52.94	47.06	100

Table 41: Sophistication and unemployment risk

	Never unemployed	Previous unemployment	Total
Low sophistication	2117	2134	4251
	49.8	50.2	100
High sophistication	2492	1884	4376
	56.95	43.05	100
Total	4609	4018	8627
	53.43	46.57	100

Table 42: Party classification

Party family	Parties	Country
	die Linke	Germany
Communists	Communist Party (PCF)	France
	Social Democrats (SP)	Switzerland
	Greens (GPS)	Switzerland
	Social Democrats (SPD)	Germany
	Bündnis 90/die Grünen	Germany
	Greens	Denmark
	Parti Socialiste (PS)	France
	Greens	France
	Italia dei Valori (IdV)	Italy
	Greens	France
	Labour	UK
	Greens	UK
	Social Democrats (DK)	Denmark
	Radicale Venstre	Denmark
	Socialist Folkeparty (SD)	Denmark
Left and Greens	Greens	Denmark
	Christian-Democratic Party (CVP)	Switzerland
	Liberal Party (FDP)	Switzerland
	Christian Democrat Party (CDU-CSU)	Germany
	Mouvement démocrate (Modem)	France
	Partito Democratico (PD)	Italy
	Unione di Centro (UdC)	Italy
	Liberal Democrats	UK
Centre	Christian Democrats	Denmark
	Swiss national Party (SVP)	Switzerland
	Liberal Party	Germany
	Union Mouvement Populaire (UMP)	France
	Popolo della Liberatà (PdL)	Italy
	Tories	UK
	Conservatives	Denmark
	Liberal Alliance	Denmark
Right	Venstre	Denmark
	Front National (FN)	France
	Lega	Italy
	British National Party	UK
	UK Independence Party	UK
Radical Right	Danis Folkeparti	Denmark

Table 43: What characterizes egalitarian people as compared to voters relying on deservingess judgments?

Dependent variable	Egalitarianism		Deservingness	
Deservingness	0.275***	(0.021)		
Egalitarism			0.325***	(0.022)
Jobless	0.046	(0.064)	0.427***	(0.054)
Previous unemployment	**0.076***	(0.031)	0.092*	(0.036)
Indirect unemployment	**0.131*****	(0.029)	0.095**	(0.033)
Female	0.047	(0.029)	0.036	(0.032)
Age	**0.006*****	**(0.001)**	0.006***	(0.001)
High education	**-0.121*****	**(0.029)**	0.108***	(0.031)
High sophistication	**-0.101****	(0.031)	0.290***	(0.034)
Income 1				
Income 2	0.010	(0.054)	-0.031	(0.064)
Income 3	-0.074	(0.053)	0.041	(0.064)
Income 4	**-0.124***	(0.054)	0.013	(0.063)
Income 5	**-0.242*****	(0.064)	0.034	(0.070)
Academic				
Senior off.	-0.056	(0.069)	-0.029	(0.070)
Clark	-0.023	(0.041)	0.013	(0.043)
Sales	0.013	(0.062)	-0.052	(0.062)
Service	0.093°	(0.048)	-0.053	(0.055)
High work	0.083	(0.054)	-0.089	(0.059)
Middle work	0.003	(0.081)	-0.033	(0.135)
Low work	**0.213*****	(0.064)	0.079	(0.069)
Agriculture	0.127	(0.106)	0.056	(0.164)
A. forces	0.193	(0.216)	0.097	(0.200)
Crafts	0.156	(0.116)	0.174	(0.170)
Center				
Communist	0.556***	(0.083)	0.299**	(0.114)
Left	0.323***	(0.045)	0.127*	(0.056)
Right	-0.180***	(0.050)	-0.177**	(0.054)
Radical right	-0.094	(0.070)	-0.173*	(0.079)
Switzerland				
Germany	-0.059	(0.055)	-0.290***	(0.059)
France	0.091°	(0.046)	-0.061	(0.052)
Italy	0.276***	(0.063)	0.048	(0.061)
UK	-0.261***	(0.045)	-0.135*	(0.056)
Denmark	-0.247***	(0.045)	0.264***	(0.047)
Constant	-0.290**	(0.099)	-0.578***	(0.120)
R^2	0.326		0.282	
adj. R^2	0.321		0.277	
N	4559		4559	

Figure 8: Marginal effects graphs (dependent variable generosity)

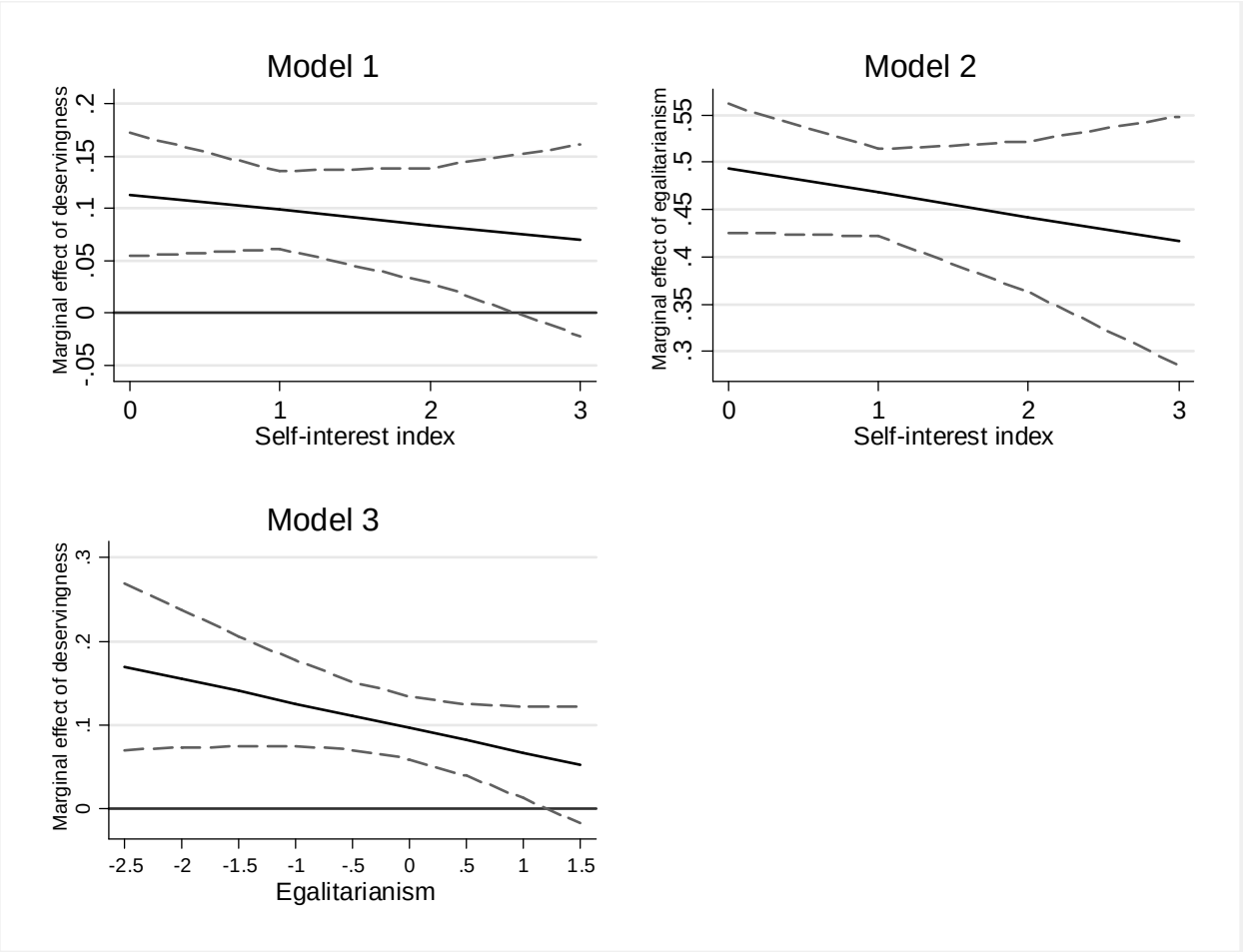
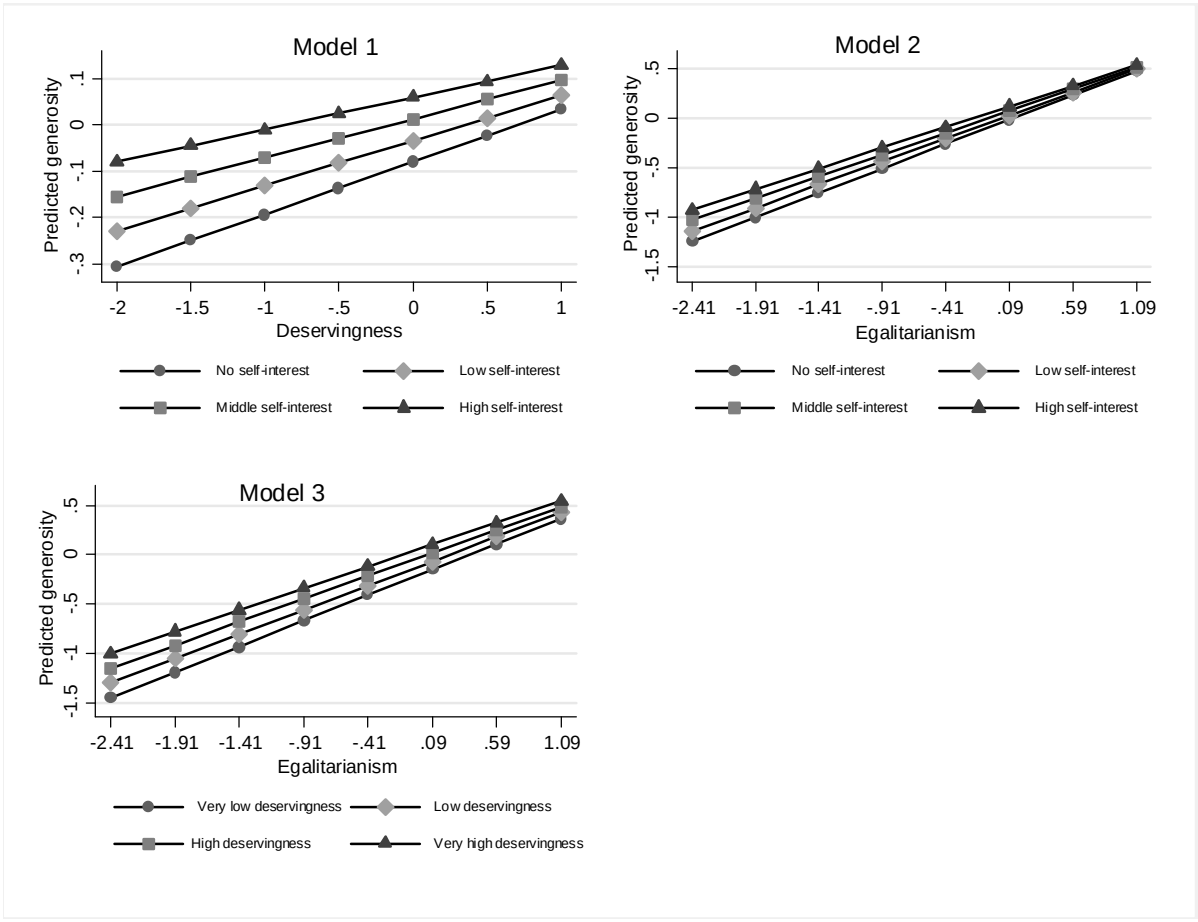


Figure 9: Adjusted predictions of generosity (interaction effects)



CHAPTER 5

Explaining preferences for activation policies:

Six western European countries compared

Paper authored by: Flavia Fossati

Abstract

The present paper aims to contribute to the discussion of the implications of modernising labour market reforms (Bonoli and Natali 2012; Häusermann 2010; Clasen and Clegg 2011) by answering the question of which activation policies are perceived as being legitimate by the public and by shedding light on the individual characteristics that lead to an endorsement of particular activation strategies. In fact, as already shown by Pierson (1996 and 2001), information about the deservingness perception of particular welfare state beneficiaries may induce rational politicians to cut those programmes which possess little legitimacy in the public's eyes.

The introduction of numerous policy instruments, such as activation and social investment strategies (Morel, Palier and Palmer 2009), to address the typically post-industrial unemployment rates (Iversen and Cusack 2000) and reform dysfunctional labour market regulations has been studied in depth in the literature (Clasen and Clegg 2011; Palier and Thelen 2008; Levy 1999). In the literature there is a consensus that in the last two decades Europe witnessed an "activation turn" (Bonoli 2010) and scholars recognise the importance of distinguishing among passive and active instruments with respect to, for instance, party strategies (Rueda 2005, 2006, 2007; Vlandas 2011, 2013; Emmenegger 2009). However, up to the present the study of public attitudes has mainly focused on preferences for "traditional" passive measures. In consequence, attitudes towards specific benefit schemes (Blekesaune and Quadagno 2003; Fraile and Ferrer 2005), redistribution efforts (Edlund 1999) or entitlement criteria (Hasenfeld and Rafferty 1989) have been the focus of studies.

I propose a theoretical model to analyse public attitudes towards activation policies and distinguish the different labour market policies in terms of *conditionality* and *human capital* versus *pro-employment activation* strategies. Based on these three logics I am able to show that individual characteristics such as values, self-interest and socio-tropic evaluations influence individual attitudes towards particular types of activation measures.

The empirical results suggest that reciprocity expectations, on which deservingness judgements are based (van Oorschot 2006), explain preferences for conditional and coercive activation policies. Instead, egalitarian values lead to the endorsing of generous and non-conditional policies. I also show that people with high levels of self-interest prefer human-capital activation policies. Finally, I am able to support the findings by Petersen et al. (2010), who suggested that whenever a policy allows for a deservingness judgement the effects of other values are crowded out, by demonstrating that the effect of egalitarianism on coercive policies disappears once an indicator for deservingness perception is introduced.

By analysing preferences for activation strategies as diverse as (re-)training, public job creation or benefit reduction for refusing a job, I contribute to the understanding of how modernising labour market reforms are perceived by the public and which reform endeavours are likely to encounter popular support.

Keywords: activation policy, labour market policy, public attitudes

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Introduction

Since the welfare state is under enormous reform pressure, numerous new policy instruments such as activation and social investment strategies (Morel, Palier and Palmer 2009) have been developed to address the skyrocketing unemployment rates afflicting post-industrial labour markets (Iversen and Cusack 2000). In the literature there is a consensus that in the last two decades Europe witnessed an "activation turn" (Bonoli 2010). To my knowledge, however, there are no studies analysing public attitudes towards different activation policies, even though many scholars recognise the importance of distinguishing among regulatory, passive and active instruments with respect, for instance, to party strategies (Rueda 2005, 2006, 2007; Vlandas 2011, 2013; Emmenegger 2009).

Up to the present, public attitudes have been explored merely with respect to passive measures, such as unemployment or pension benefits (Blekesaune and Quadagno 2003; Fraile and Ferrer 2005), redistribution efforts (Edlund 1999; Blekesaune 2007), contributory or means-tested welfare programmes (Hasenfeld and Rafferty 1989), collective bargaining, labour laws and job-security regulations (Emmenegger 2009; Bonoli 2000), or the general level of welfare state spending (Coughlin 1980).

Two pivotal questions about active labour market policy are still underexplored. The first asks which policies are perceived to be *legitimate* by citizens. The second addresses the reasons *why* particular ALMPs are endorsed and by *whom*. Both issues are highly relevant and connect for instance to the studies showing that governments wishing to implement welfare reforms in economically difficult times avoid electoral punishment by restricting benefit cuts to programmes whose legitimacy is lower than for others (Pierson 1996 and 2001). In this sense, the perception that for instance immigrants or the unemployed are less deserving of welfare state support than pensioners is pivotal information to

legitimise retrenchment in those areas. In particular, in times of decreasing fiscal independence where governments and parties are no longer able to address labour market-related risks by simply expanding welfare state intervention, the perceived problem pressure can be expected to shape welfare reforms (Cox 2001; Blyth 2001). The usefulness to carefully evaluate welfare reform is high lightened by the fact that the main conflict in labour market policy no longer revolves around the question of more or less *state intervention* (Bonoli and Natali 2012). Rather, the essential conflict line concerns the *re-allocation* of available resources (Häusermann 2010; Häusermann and Fossati 2013) between traditional and new social needs (Bonoli 2005 and 2006), which arises as a consequence of the large structural changes induced by globalisation (Rodrick 1998), de-industrialisation (Iversen and Cusack 2000) and social modernisation (Esping-Andersen 2009). However, the redistribution of social rights without increasing overall welfare spending is a challenge for policy-makers and inevitably entails expansions of benefits for specific groups and cuts for others. Thus, the ability of a government to frame a specific policy in ways which resonate with public attitudes is pivotal for success, the practicability of reform implementations and may also affect electoral success. The present chapter analyses the individual characteristics which explain preferences for *different labour market policies*, in particular for different *activation* policies.

The chapter is organised as follows. In the second section, I discuss the classification of labour market policies and propose a more encompassing typology. Next to the traditional generosity dimension I include a distinction between conditional and non-conditional policies and different activation strategies. In the third section I discuss three theoretical approaches aiming at explaining attitudes towards specific policy measures. The literature provides self-interest or "pocket-book" explanations, value-based theories, and socio-tropic evaluations as predictors of public attitudes. In the subsequent section, the data and the operationalisation of the dependent and independent variables are presented. Then, in section five I set out the results and the final section concludes with a discussion of the implications of the empirical findings.

Classifying labour market policies: from generosity to conditional social rights?

In the welfare state literature, social policies, and in particular passive labour market instruments, can be classified in terms of the amount of benefit *generosity*. Generosity is often captured by means of the replacement rate, benefit duration, and the comprehensiveness of the entitlement criteria. In the "golden ages of welfare state development" (see Huber and Stephens 2001), access to passive benefits and hence the level of generosity is regulated in terms of need, citizenship or work record, depending on the welfare state regime (Esping-Andersen 1990).

Next to monetary benefit, especially in the southern European welfare states, unemployment insurance and/or assistance are complemented by strong job-security regulations, which aim at insuring workers against wage loss (Ferrera 1996). Unsurprisingly, in the literature, passive and regulatory instruments are subsumed under the same analytical category, and scholars such as Bonoli (2003) argue that these play functionally equivalent roles. For instance, in Italy the marginal unemployment benefits are "compensated" by a high level of job protection, which is used to guarantee the male breadwinners a secure income and prevents their dismissal (Jessoula et al. 2010).

When it comes to studying public opinion on these "traditional" labour market policies, the respondents could express their preferences in terms of how generous they want the benefits and regulations to be (see for instance Rehm 2007; Blekesaune and Quadagno 2003). Accordingly, they could endorse longer or shorter benefit duration, higher or lower replacement rates and stricter or looser entitlement conditions in terms of contribution record or need threshold. In sum, all these decisions concern one single dimension and one crucial question: *more or less welfare support*?

Things changed, however, with the advent of the "activation turn" (Bonoli 2010) and "modernising" welfare reforms (Häusermann 2010; Bonoli and Natali 2012[63]). In fact, post-industrial labour market reforms introduced activating policy elements such as (re-)training courses, job counselling, public job creation, job subventions, placement services, recruitment incentives and many more. Thus, the traditional ways of operationalising welfare state preferences, which merely portray the economic conflict as a fight over more or less generosity, became inadequate to capture the characteristics of the reform endeavours currently taking place all across Europe.

These (activating) reforms rather focus on solving the conflict concerning the *re-allocation* of available resources between "traditional" and "new social need groups" (Bonoli and Natali 2012; Bonoli 2005, 2006; Häusermann 2010; Häusermann and Fossati 2013). In other words, while the perception of traditional passive benefits could legitimately be reduced to a generosity dimension, which entailed different sub-aspects such as the replacement rate and the benefit duration, with the advent of activation policies, the welfare state conflict dimensions pluralise (Bonoli and Natali 2012; Häusermann 2010, Häusermann and Fossati 2013).

[63] In the book "The politics of the new welfare state" edited by Bonoli and Natali (2012), the authors develop a framework to analyse welfare state reforms and in particular to disentangle their "multidimensionality". The authors theorise slightly different reform dimensions to the ones which I propose here. In fact, Bonoli and Natali, first, and in line with traditional welfare state research argue that the *level* of welfare state *generosity* is pivotal. Second, they include the *pro-employment* orientation, i.e. the degree to which reforms activate the population, and third, they consider the comprehensive character of the reforms, i.e. whether these cover the whole population or only specific groups. Independently of the exact number of dimensions, the aim of this research is to analyse the reforms with theoretical and measurement approaches which are able to capture more subtle differences and help to understand change.

These novel[64] labour market policies which arose after the 1990s and diffused widely across European countries were inspired either by the Nordic best-practice models (Sweden) or the liberal activation schemes (the US) (Blyth 2001; Deacon 2000). The breathtaking expansion of these instruments is mostly due to their (perceived) efficiency (Daguerre and Etherington 2009) in addressing the rising shares of structural and long-term unemployed in a context of permanent austerity (Pierson 1996). In particular, the diffusion of these "flexicurity" strategies was also promoted by international organisations such as the Organisation for Economic Co-operation and Development (OECD), International Labour Organisation (ILO) or the European Union (EU). These institutions developed guidelines for effectual labour market reforms (Casey 2004; Ferrera and Gualmini 2004). In particular, the national elites and expert networks were pivotal actors in applying these new instruments in national reform endeavours, as shown for instance for the UK by Daguerre and Taylor-Gooby (2004).

In more detail, we witnessed reforms as diverse as the New Deals and the Universal Credit in the UK or the Hartz IV scheme in Germany. Particularly interesting is that these reorganisations, by trying to re-allocate resources in particular between unemployed and social assistance beneficiaries, change the *nature of welfare contracts* between the benefit recipients and the state. Two interrelated phenomena can be shown to be at work here. First, policy-makers increasingly combine active and passive schemes and, second, they introduce a stronger reliance on conditionality and individualised sanctioning mechanisms, consisting foremost in cuts of passive benefits, to speed up the labour market reintegration of unemployed people. Thus, access to passive welfare benefits or activating training programmes are no longer universally guaranteed but increasingly depend on individual requirement fulfilment (Bonoli and Natali 2012; Clasen and Clegg 2011; Gilbert and Van Voorhis 2001; Hvinden et al. 2001).

[64] The novelty of activation policies is of course a relative concept since in Sweden such strategies have been applied since the 1950s. However, the recent diffusion of these policies legitimates, in my opinion, their characterisation as "novel" instruments.

Along the same lines, Handler (2003) argues that the "activation turn" changed the definition of social rights from a universal to an individualistic and coercive perspective. Today, we are thus witnessing an increasing *individualisation*[65] of entitlement rights, which are based on contracts between the unemployed person and their case manager in the job centres and which mean they can be *sanctioned* in the event of a failure to comply (Hvinden and Johansson 2007; Gilbert 2002). However, these reforms do not only entail redistributive effects but also influence the social perception of when it is "acceptable" to rely on benefits and foster "individualised" deservingness judgements.

These developments suggest that the dimensionality of labour market reforms pluralised and in line with theories of the general political space also (start to) concern cultural issues. In fact, the emergence of a distinction between conditional and non-conditional labour market policies is reminiscent of the orientations underlying the libertarian–authoritarian axis (Kitschelt 1994; Kriesi et al. 2006 and 2008). Preferences for either, coercive and conditional or self-reliance and voluntarism, can be compared to preferences about how society should be organised and governed.

To deal analytically with these "varieties of activation" reforms, in the literature different classifications have been proposed. The first strand of literature distinguishes activation policies into two (or three) types depending on the ideological orientation of the welfare state regime (cf. Esping-Andersen 1990). Generally, scholars argue that the Nordic welfare states implement principally human capital-oriented policies, whereas liberal countries focus on a swift labour market reintegration by means of work-first policies, which are characterised by a pronounced pro-market orientation and negative incentives (Barbier and Ludwig-Mayerhofer 2004; Torfing 1999; Daguerre and Taylor-Gooby 2004). Some authors

[65] Individualisation stands for policies which according to the theorisation of the "novel social rights dimension" (cf. Handler 2003; Clasen and Clegg 2011; Bonoli and Natali 2012) introduce individual benefit evaluation processes (job centres) or entail sanctioning mechanisms in cases of non-compliance.

even argue that a third activation orientation might exist. This third activation type coincides with the continental welfare strategies and aims at retaining the unemployed in the labour market to preserve their social network. The focus of this latter activation strategy is hence set on promoting social integration rather than investing in human capital or ensuring a swift re-commodification of the unemployed (Barbier 2001; Barbier and Fargion 2004; Daguerre 2007). However, to what extent "continental strategies" of dealing with high levels of unemployment can be understood as full-fledged activation strategies is a matter of debate[66] (Barbier and Ludwig-Mayerhofer 2004).

In my view the second approach which is proposed in the literature is more appropriate to characterise and distinguish between different activation strategies. Bonoli (2010) presents a neutral[67] typology that allows for the analysis of activation policies without having to rely on a welfare regime-based distinction. In fact, the author groups activation programmes depending on the degree to which these invest in unemployed people's *human capital* and on the extent of their *pro-market orientation*, i.e. the degree to which these policies set incentives to re-enter the labour market even at the cost of taking for instance jobs for which job-seekers are overqualified (Bonoli 2010[68]).

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[66] The first argument against the existence of a third independent type is that southern European countries have underdeveloped activation measures both in term of resources and participants as compared to passive programmes. Second, many of the "activation" programmes only apparently activate the unemployed. As is the case for short-time work (Cassa Integrazione Guadagni) or the mobility allowance (Mobilità) in Italy, these are mostly declarations of intent but the actual practices are handled differently (Jessoula and Alti 2010).

[67] Previous classifications as for instance the ones by Torfing (1999) or Barbier and Ludwig-Mayerhofer (2004) more or less implicitly contained a normative judgment on different activation strategies.

[68] The classification by Bonoli is hence more complex than the distinction in liberal and social-democratic activation strategies and entails four activation strategies. The first ideal type is the occupational model, which comprehends policies such as the creation of job schemes in the public sector and which is characterised by a low "pro-market employment orientation" and weak human capital investment. The other three categories share a high pro-market employment orientation but diverge in

However, whilst especially the latter classification is a good analytical tool to distinguish between the practical arrangements of activation strategies, I argue that when studying *public attitudes* the distinction between different activation schemes does not suffice to capture all the relevant dimensions which explain an endorsement or a refusal of a specific labour market policy. I hence propose to combine the literature on the varieties of activation with the (traditional) literature on welfare state benefits to develop a more complex categorisation of labour market policy characteristics.

Thus, in line with Häusermann (2010), who argues that the current welfare state reforms are not primarily about increasing or reducing benefits (generosity) (Bonoli and Natali 2012; Clasen and Clegg 2011), I argue that "modern" reforms imply four "decisions". First, and in line with the traditional research, I expect that the respondents evaluate labour market policies depending on whether these *retrench* or *expand* welfare efforts. Second, I expect that labour market policies are judged in terms of whether the social rights are guaranteed on an individual basis, are *conditional* on the fulfilment of specific requirements and thus allow for a moral/deservingness judgement, or whether these are non-conditional benefits which accordingly do not allow for a moral/deservingness judgement ("novel social rights dimension"). Third, the respondents can decide whether they prefer passive or active policies and, finally, the last decision concerns the understanding of whether unemployment is a behavioural

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terms of human capital investment. Measures to reinforce the *incentives* to re-enter the labour market swiftly without investing in the skills of the unemployed encompass, for instance, time limits on recipiency, benefit reductions and increased conditionality on passive benefits. Furthermore, there are measures with a medium level of human capital investment, which are meant to *assist* the unemployed while they are looking for a job, by means of counselling services, job search programmes or job subsidies. Finally, there are *up-skilling* policies, which combine a high pro-market employment orientation and a high degree of human capital investment. Such measures consist primarily of job-related vocational training measures. For the sake of parsimony in the present contribution, we rely on the less sophisticated distinction between human capital and pro-market orientation without discerning the possible degrees.

problem and hence is best fought with (coercive) *pro-market* activation or whether it is rather a structural problem to be addressed with *human-capital* activation (Daguerre 2007).

In the following table I propose a typology which combines the theoretical framework of welfare state research on the varieties of activation (Bonoli 2010) and the "novel social right dimension" (Handler 2003). As illustrated in Table 44 below, I distinguish four activation and two passive policy types.

Table 44: A Typology of labour market strategies

	Human-capital activation	**Pro-market activation**	**Passive or regulatory policies**
Non-conditional	Voluntary up-skilling *Training programmes*	Voluntary re-commodification *Mini-jobs, internships*	Non-conditional passive *Traditional unemployment benefits*
Conditional	Conditional up-skilling *Compulsory training programmes, counselling Reduction of benefits when unemployed refuses training measures*	Conditional re-commodification *Reduction of benefits when unemployed refuse a job, i.e. combination of active and passive measures (sanctions)*	Conditional passive *Unemployment benefits with combined with sanctions in case of administrative/procedural issues.*

Turning to the activation policies first, we see non-conditional, human capital-oriented measures. These policies benefit unemployed people independently of individual welfare contracts and do not entail sanctioning mechanisms. Examples of such programmes are voluntary (re-)training or integration schemes. Second, we have conditional human-capital activating strategies which include measures such as compulsory training and involve sanctions if an unemployed person refuses to take part. Third, we have unconditional pro-market-oriented activation. This policy strategy could consist of temporary work or mini-jobs opportunities. Finally, there are conditional measures which aim at increasing the

employability and the swift reintroduction of unemployed in the labour market, so-called *work-first* strategies. These strategies aim at reintroducing workers swiftly into the labour market irrespective of whether the job at hand is "appropriate" or whether the unemployed person is overqualified. Furthermore, this approach applies sanctions in the event of non-compliance (Lødemel 2004).

In a final step I distinguish passive (or regulatory) labour market policies. As for the activation policies, passive benefits can be distinguished into conditional and non-conditional ones. Conditional passive policies normally sanction defections, for instance failure to communicate address changes and other formalities, with reductions in passive benefits. Admittedly, although in most cases passive benefits are used as sanctioning mechanisms to enforce *activation* measures (and not just to sanction procedural or formal requirements), I maintain that conditional passive schemes are very likely to be congruent with either conditional pro-market activation or with conditional up-skilling (cf. Fleckenstein 2008 for the German case). The ambiguity of the delimitation of conditional passive policies is highlighted by the dotted line in Table 44 above.

Individual determinants of labour market policy preferences

The question is now: how can individual preferences for the above-mentioned policy types be explained?[69] The literature on welfare state attitudes gives three major insights into preference-formation mechanisms. First, some authors argue that *self-interest* plays a pivotal role in shaping preferences for specific welfare state policies (Blekesaune and Quadagno 2003). For instance, it has

[69] For a table summarising the hypotheses described below, see Table 48 in the Appendix.

been argued that women or unemployed persons endorse more generous welfare state policies because of their reliance on benefits (Sainsbury 1996; Svallfors 1997: 290ff.; Blekesaune and Quadagno 2003).

Second, it has been shown that egalitarian or humanitarian *values*, as well as left-leaning ideological orientations, increase the likelihood of endorsing generous welfare state measures, whereas support for values such as individualism, meritocracy and a right-oriented ideology goes along with preferences for lean welfare states (Feldman and Steenbergen 2001; Blekesaune and Quadagno 2003; Hainmueller and Hiscox 2006, 2007, 2010). Finally, it has also been shown that *deservingness* perceptions are pivotal in explaining support for generous welfare state intervention (Coughlin 1980; van Oorschot 1998, 2000, 2006; van der Waal et al. 2010; Larsen 2006, 2008a and 2008b; see Chapter 4).

Moreover, from the literature on *socio-tropic* voting we also know that the evaluation of the economic or of the labour market context influences what people think about policies (Hainmueller and Hiscox 2010; Mainsfield and Mutz 2009; Blekesaune 2007). Similarly to the self-interest approach the socio-tropic voting theory assumes that citizens base their decisions on rational evaluations of the economic development and choose/reward policies/parties accordingly.

These approaches have so far mainly focused on explaining preferences for the *amount of generosity* or for the need to *expand or retrench* specific policy schemes (Hasenfeld and Rafferty 1989; Fraile and Ferrer 2005; Coughlin 1980; Edlund 1999). To my knowledge, no study is available which addressed other potentially relevant dimensions of labour market policy and the related preference-formation mechanisms. In the following the theoretical approaches are described in more detail and hypotheses are put forward. In particular, I will analyse whether self-interest, egalitarianism, deservingness perception and socio-tropic evaluations explain decisions about: 1) generosity; 2) conditional or non-conditional; 3) active or passive; and 4) human capital or pro-market policies.

Values: egalitarianism and equity based deservingness perception

A first theoretical strand put forward in the field of welfare state attitude research argues that values are pivotal predictors of individual support for welfare policies (Baslevent and Kirmanoglu 2011; Feldman and Steenbergen 2001; McColskey and Zaller 1984) or, as Bonoli (2000: 437) puts it, "[r]espondents seem to answer questions more on the basis of values and norms, than on the basis of self-interest.". Authors such as Arts and Gelissen (2001) argue that attitudes towards social solidarity are deeply embedded in European societies and that the welfare state regimes influence attitudes towards social security programmes and people's ideas about the appropriate amount of redistribution. In the following section I describe two value-based approaches that in my opinion are particularly well suited to explaining preferences for specific types of labour market policies.

As argued by Miller (1999), in principle three values structure social interactions and the understanding of social distributive justice: equity, equality and need. According to Deutsch (1975) *equity* applies to situations of economic productivity, equality to the ones "fostering or maintain[ing] enjoyable social relations" and *need* applies to the ones related to (personal) welfare (Reeskens and van Oorschot 2013).

The characterisation of the values underlying the welfare state arrangements proposed by Arts and Gelissen (2001) is simpler. The authors maintain that welfare state arrangements can be distinguished based on just *two* ideological approaches – equality and stratification. While endorsing equality entails pursuing equal outcomes for all (including the unemployed), meritocracy instead restricts participation to people fulfilling a particular set of criteria. Thus, meritocracy leads to social stratification depending on socially defined criteria such as worthiness and/or achievement (for instance, in terms of work record, citizenship, etc.).

I maintain that this interpretation is not incompatible with the classification proposed by Miller or Deutsch, rather that the "need principle" structures (the perception of) self-interes, while the other two justice principles are value-based.

Here, I follow the argument by Arts and Gelissen and suggest that to explain preferences for different *types* of labour market policies – rather than the level of generosity which instead is prinicipally related to need – in particular equality (egalitarianism) and equity might provide important insights. In fact, welfare states arrange their benefit schemes along either meritocratic criteria and hence stress the role of individual responsibility, self-reliance and individual freedom or on egalitarian values and highlight universalism and social solidarity (Hasenfeld and Rafferty 1989: 1029–1031). Broadly speaking, these different ideological orientations can be identified in the liberal and the social-democratic welfare states as illustrated by Esping-Andersen (1990).

With respect to individual attitude formation I expect that respondents with egalitarian values are characterised by the conviction that an equal level of support should be provided by means of state intervention.[70] In light of the classification proposed, I hypothesise that the more a person is oriented towards *egalitarian values,* the more strongly he or she should endorse generous *and* non-conditional unemployment policies (H1[71]) (cf. Blekesaune and Quadagno 2003; Feldman and Steenbergen 2001: 65972; Fehr and Fischbach 2005; Emmenegger and Klemmersen 2013).

[70] As argued by Feldman and Steenbergen (2001), we can differentiate even further between egalitarianism and humanitarianism, whereby the former entails preferences for state intervention and the latter preferences for private initiative. Emmenegger and Klemmensen (2013) draw an even more sophisticated differentiation among egalitarianism, humanitarianism and unconditional altruism. In this setting, however, I am not able to distinguish between different "egalitarian" orientations and subsume all these categories under a broader definition of egalitarianism (compare also Fehr and Fischbach 2005).

[71] See Table 48 in the Appendix for an overview of the hypotheses that follow.

[72] Feldman and Steenbergen (2001) focus on welfare state attitudes in the US and argue that in this national context

Whilst egalitarian respondents advocate the same (level of) support for all unemployed and thus consider that social rights should be *unconditional*, individuals who apply equity-based decision-making are likely to have a *contractualistic* understanding of social rights. In other words, deservingness-related evaluations entail a worthiness judgement and eventually also an implicit reciprocity expectation. Thus, people applying deservingness judgements seem to think that social rights should be earned: no rights without obligations.[73]

In the literature on welfare state attitude formation, van Oorschot (2000 and 2006) suggests five criteria to determine welfare state beneficiaries' level of deservingness[74] (see also Petersen et al. 2010). The first two criteria refer to the concept of *need*[75] and capture 1) the control over the neediness and 2) the level of need. These criteria suggest that people who are perceived to be personally responsible for their joblessness are considered to be less deserving than those who are hit by fate. In particular, those

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egalitarianism provides an incomplete explanation because state intervention is generally less welcome than in Europe, whereas private welfare initiatives are more frequent. The authors hence focus on humanitarian values.

[73] The nature of the qualifications is socially determined and may differ between countries.

[74] Interestingly, the first study on deservingness perceptions by Coughlin (1980) found that social perceptions of deservingness and by consequence the ranking of welfare state beneficiaries in "deservingness categories" are very stable over time and across countries (van der Waal et al. 2010; van Oorschot 1998 and 2006; Blekesaune and Quadagno 2003; Taylor-Gooby 1985; Bonoli 2000). Those considered the most deserving were revealed to be the elderly, followed closely by the sick and disabled, then needy families with children and, finally, the lowest degree of deservingness was attributed to the unemployed and immigrants (Larsen 2008a and 2008b; van Oorschot 2006). Also, several follow-up studies have confirmed this rank order, demonstrating that these judgements seem to have deep cultural roots in western societies. Hence, it is not surprising that policy-makers aware of public preferences often decide to retrench the benefits of those groups which are perceived/framed as less deserving so as to avoid electoral loss (Pierson 2001; 1996).

[75] De Swaan 1988 identifies need as a pre-requisite for the willingness to help in the first place and hence denies its analyitical value for deservingness judgments.

people who consider the causes of unemployment to be behavioural[76] rather than structural are likely to judge the unemployed as being less deserving of welfare state support. According to the second criterion, the perception of deservingness depends on the "average" neediness of the unemployed as compared to other welfare state beneficiaries, i.e. in countries where the unemployed are comparatively well off, they are more likely to be considered undeserving. Following this, van Oorschot argues that 3) in- and out-group stereotypes may affect the deservingness judgement: the closer a needy person is to the "identity" of the evaluator the more likely he or she is to be perceived as deserving. Finally, he identifies the individual reaction of the beneficiary as pivotal for deservingness judgements, in particular 4) their *attitudes*[77] and the 5) *reciprocity* expectations towards society.

I subscribe to van Oorschot's view that all these five criteria may influence public attitudes towards welfare state beneficiaries. However, I maintain that particularly the fourth and fifth criteria (attitudes

[76] Since the "undeservingness" of the unemployed is often ascribed to a lack of initiative and individual engagement, it could be suspected that this perception is correlated to a liberal-conservative worldview or to a general disapproval of generous/interventionist welfare state schemes (van Oorschot 2006, van Oorschot and Halman 2000). However, as shown by Larsen (2006), the judgement of whether the unemployed are considered to be more or less deserving does not correlate simply with ideology or values but has a persistent effect even after controlling for left and right political preferences. In the author's words the evaluation of deservingness is not a mere "reflection of basic egalitarian and anti-egalitarian values" (Larsen 2006: 134-135). Accordingly, it should be considered as an independent factor which may determine the public's attitudes towards labour market policies.

77 In van Oorschot's (2006) words "[…] more deserving are those needy people who are likeable, grateful, compliant and conforming to our standards."

and reciprocity) allow telling apart people relying on egalitarian values to form their preferences and those relying on deservingness judgements, i.e. *equity* principles.[78]

The crucial difference between egalitarianism and deservingness-related decision-making hence seems to be that the former endorses the provision of completely unconditional support, while the latter depends on the evaluation of the *worthiness of* the individual *reaction* and on *reciprocity* anticipations. Thus, the expectations about how much self-reliance, effort and engagement an unemployed person should show, i.e. what and how much they are prepared to do to "pay their debt to society back"[79], are decisive. From the theoretical elucidations presented above I draw the hypothesis that the more a person doubts that the unemployed deserve welfare state support the more he or she should endorse conditional and coercive measures (H2a) to enforce reciprocity.

I deduce another expectation about the relationship between deservingness perception and egalitarianism based on recent research by Petersen et al. (2010). According to the authors, since both egalitarianism and deservingness perceptions are value-based decision-making mechanisms, these are strongly interlinked and to some extent complementary with each other. In fact, by means of a survey experiment, where the respondents had to compare several different policy measures, whenever there was the possibility to make a deservingness judgement this crowded out the effect of other value orientations such as egalitarianism. In other words, deservingness seems to be an "automated" decision-making criterion which can easily be triggered and prevails over other mechanisms (cf. Druckman 2001). In Zaller's (1992) words, it seems to be an association that is "at the top of their head" and hence is more easily retrievable than other values. Applying this crowding-out hypothesis to

[78] In fact, whilst the first two criteria are need-related and hence influence self-interest and the third seems to be primarily a way of avoiding cognitive dissonance and self-doubt, the fourth and the fifth aspects provide the theoretical instruments to tell egalitarian people and those applying deservingness judgments apart.

[79] The actual criteria which must be fulfilled may differ depending on the system.

my setting it can be expected that deservingness judgements are more powerful predictors of conditional and coercive measures, whereas value-based judgements should explain the universal ones better (H2b[80]).

Self-interest or "pocket-book"-based explanations of labour market policy preferences

In the literature on welfare state attitudes there is evidence that self-interest or (unemployment[81]) risk has an influence on whether a person endorses (specific) welfare state schemes (Hacker, Rehm and Schlesinger 2013; Margalit 2013; Kumlin 2004; Goul Andersen 1993; Hasenfeld and Rafferty 1989: 1041ff.; Fraile and Ferrer 2005; Rehm 2007). According to this rational-choice theory, people who (have to) rely on welfare state support can be expected to have more positive attitudes towards the welfare state in general, or at least to the specific welfare programme they benefit from. With respect to the labour market domain, as shown by Blekesaune and Quadagno (2003), Arts and Gelissen (2001) and Fraile and Ferrer (2005), unemployed people are more likely to support generous unemployment policies. On the contrary, more privileged respondents make a cost–benefit calculation and may reach the conclusion that in terms of taxes or contributions they are worse off with a generous welfare state.

[80] As for the egalitarianism-based approach, we do not expect that the levels of deservingness perception allow for predictions about what kind of policy type (active/passive) is preferred.

[81] In the literature there are various concepts of risk or self-interest, for instance Rehm (2009) shows that occupational unemployment risk influences preferences for redistribution. Hacker, Rehm and Schlesinger (2013). show that attitudes towards welfare schemes/generosity are influenced by the *perception* of economic insecurity and by actual shocks. Economic insecurity thereby is defined very broadly in terms of unemployment risk, but also health, wealth or family-related risks and shocks in terms of for instance past unemployment experience.

In the domain of labour market policy, self-interest can be conceptualised in terms of high unemployment risk.

However, the level of "unemployment risk" and hence the likeliness of self-interest or "pocket-book" decision-making depends on the individual situation, and hence at least to some extent to the underlying socio-structural variables. First, and most straightforwardly, people who have experienced unemployment or are currently unemployed can be expected to endorse non-conditional, generous, passive *and* ALMPs to compensate for their loss and help them to re-enter the labour market. Conversely, these persons should be against retrenching and conditional measures, which allow for individual deservingness judgements and may lead to stereotyping (H3a). Here I argue that these people are equally in favour of both active and passive measures, in opposition to Rueda (2006) who argues that labour market outsiders (such as the unemployed and atypical workers) prefer active labour market instruments, whereas insiders prefer passive benefits. Here, I follow Emmenegger's (2009) results, which show that both insiders and outsiders may endorse strong job-security regulations and hence demonstrate similar preferences.

Second, old age represents a "classical" situation of need. Hence, as shown for instance by Goul Andersen (2002) elderly people can be expected to be more supportive of those welfare state benefits from which they benefit most (pensions). Since retired people profit neither from active nor passive labour market policies, they can be hypothesised to refuse non-conditional universalised and generous labour market policies. Pensioners will thus prefer policies that reduce expenditures and their tax burden. In detail, I expect that retired[82] people endorse the expansion of conditional and coercive

[82] The argument that retired and elderly people are against welfare state expenditures from which they do not profit has been challenged by findings indicating that retired people are equally supportive of international trade or immigration policy restrictions as people currently working (see Hainmueller and Hiscox 2010). Also, the studies by Arts and Gelissen (2001) and

measures and they will prefer active over passive policies. Retired people should prefer in particular conditional (i.e. work-first) activation measures (H3b).

Similarly to the unemployed, women can be expected to endorse generous, non-conditional measures because they are more likely to (have to) rely on welfare state support during the course of their life (as a result of maternity and care work) (H3c). A large number of studies, among them the ones by Sainsbury (1996) and Svallfors (1997: 290ff.), clearly convey the expectation that female respondents are on average more supportive of generous welfare state benefits, independent of the specific programme.

As Häusermann and Schwander (2009) demonstrate, people with high socio-economic status are less likely to support increasing welfare state spending but are rather in favour of liberal (i.e. marginal) welfare state models and are less positive about increasing social solidarity (Arts and Gelissen 2001; see also Bonoli and Häusermann 2009; 2012). Thus, the higher the income and/or the education of a person, the less likely he or she is to support generous and non-conditional unemployment policies, because they wish to avoid tax burdens and/or might consider longer spans of unemployment as unlikely. Accordingly, higher socio-economic status should determine an endorsement of labour market policy retrenchment and preferences for conditional measures (H3d).

In recent debates we also find reflections on the difference between preferences which are based on objective criteria and ones which instead are "subjectively constructed". This distinction might however be drawn artificially because, as argued by Thomas (in Striker 1980): "[i]f men define situations as real, they are real in their consequences". Hence, I will include subjective perceptions of individual

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Goerres and Tepe (2010) find that elderly people support intergenerational solidarity and that they do not endorse merely those policies that serve their self-interest. Apparently, the evidence with respect to the effect of decreasing self-interest because of old age, retirement or absence from the active labour force is inconclusive.

unemployment risk in my analyses and argue that the individual evaluation of one's unemployment risk (even if overly pessimistic) or an indirect experience of unemployment, sickness or disability among family members or friends may influence individual welfare state preferences (H3e).

While these theories only address the objective and subjective self-interest-based determinants of labour market policy preferences, societal debates or evaluations of the global economic context also contribute to elucidating what a person thinks about labour market policy. Hence, in the following section I borrow socio-tropic evaluation criteria from the literature on electoral behaviour to explain preference formation in this specific subfield.

Socio-tropic decision-making and labour market preference formation

From the literature on economic voting we know that the personal evaluation of the country's economic situation influences a voter's preference for or against incumbents (Lewis-Beck and Stegmaier 2000). The socio-tropic decision-making process hence entails an electoral punishment for governing parties who are deemed to be responsible for bad economic developments. As Leis-Beck and Stegmaier (2000: 211) nicely put it, "[e]conomics and elections form a tight weave" (Tufte 1978; Key 1964). In a similar vein, authors such as Mansfield and Mutz (2009), who studied preferences for free trade, show that its support does not primarily depend on self-interest but rather on the evaluation of how it affects the economy.

I adapt this hypothesis to the labour market policy context and argue that citizens' *evaluation of the development of job situation* influences their endorsement of specific policy measures. In contrast to the socio-tropic voting literature, however, I expect that respondents when making their decisions do not

just refer to the government's interests but they weigh the public interest against that of the unemployed. On the one side, citizens evaluate the impact of a policy on public debt, for instance in terms of expenditure reduction. On the other side, they will assess whether and how exactly these policies contribute to reducing unemployment.

In my view, to explain labour market policy attitudes it is thus necessary to assess whether the nature of the labour market is perceived as developing positively or negatively. In fact, in a favourable economic context citizens could be expected to more easily attribute unemployment to such individuals lacking effort, i.e. to lower deservingness. In consequence, the endorsement of generous and non-conditional labour market policies should decrease whenever a person thinks the economy is going well (H4a).

Conversely, in times of bad economic developments the perception of unemployment is possibly decoupled from behavioural frames and is explained in terms of conjuncture-based or structural phenomena, which are beyond individual control. In such situations, social solidarity and egalitarianism should thus become more relevant. In other words, a negative labour market evolution is likely to trigger social solidarity because the respondents are aware that, independently of individual effort, the chance of becoming unemployed is higher. Hence, respondents evaluating the job market situation as tense are more likely to prefer generous and non-conditional labour market programmes in order to compensate individuals for their job loss (H4b).

Data, operationalisation and methods

The dataset

The analyses are based on the first wave of a novel survey dataset on unemployment policies and on public perceptions of unemployment, which was collected by the author and her colleagues in the NCCR Democracy Module 4 between autumn 2010 and spring 2011 (see Wirth and Schemer 2013). Approximately 1,500 persons in Denmark, France, Germany, Italy, the UK and Switzerland were asked in October 2010 to respond to a 20-minute online survey. Hence, this dataset presents a unique opportunity to study labour market policy attitudes in detail and in a comparative research setting. In fact, in addition to unemployment policy attitudes, the dataset includes a broad range of measures of unemployment (direct, indirect, current and previous unemployment), socio-structural variables, and questions on issue salience and on political participation.

Of course, this dataset also has some drawbacks, which are characteristic especially of online surveys, and need to be addressed in detail. Contrary to the experience in other online surveys the response rates were quite satisfactory (cf. Schemer and Wirth 2013). However, as discussed in the literature, online surveys are very likely to present some sources of bias. First, I excluded those respondents whose answers showed acquiescence tendencies (Krosnick 1991). Furthermore, as in other online surveys in particular, the elderly and low-skilled people, who are less likely to have access to the internet, are often underrepresented in these samples (for instance Berre, et al. 2003: 3–4). Unfortunately, this is also the case for the present dataset. This underrepresentation is rather high especially for young low-skilled people. To address these problems, in all the regression analyses weights have been applied (using a WOLS approach). The weighting variable considers age, gender and education level and helps to correct for the biases. Since in some categories the underrepresentation is rather high, it has been decided to

cap the weighting at a maximum of 8 times, as is normally implemented in the major electoral surveys (cf. Schemer and Wirth 2013). Accordingly, it is still necessary to interpret the findings related to the groups of low-skilled respondents with particular caution.

The dependent variables: the variety of labour market policies

To operationalise different active and passive labour market policies, I can rely on a battery of eight items, which represent different approaches to reducing unemployment or compensating the unemployed for labour market losses.

The items are the following:[83] 1) increasing training efforts; 2) increasing reintegration efforts; 3) increasing state efforts to create public jobs; 4) reducing unemployment benefits; 5) increasing the minimum wage; 6) increasing the responsibility to be taken by the unemployed; 7) making support for the unemployed conditional on what they are prepared to do; and 8) increasing sanctions for the unemployed who refuse a job which is deemed to be appropriate.

As argued in the theoretical section labour market programmes can be classified based on different principles, i.e. whether these are: a) more or less generous; b) conditional or non-conditional; c) active or passive; and d) human capital or work-first oriented. In Table 45 below I thus allocate the above-mentioned eight labour market strategies according to the criteria described in Table 44.

[83] For the question wording, seeTable 49 in the Appendix.

Table 45: Operationalisation of labour market strategies

	Human-capital activation	**Pro-market activation**	**Passive or regulatory policies**
Non-conditional	1. Increasing training effort	2. Increasing reintegration efforts 3. Increase state efforts to create jobs	4. Reduction of benefits for the unemployed 5. Increase the minimum wage
Conditional		6. Increasing sanctions	7. Support for the unemployed should depend on what they are prepared to do for it (support) 8. Increased responsibility to be taken over by the unemployed (responsibility)

The measure "increasing training efforts" can be clearly identified as generous, non-conditional, *human-capital* activation. Next, both measures 2 and 3 (i.e. "increasing reintegration efforts" and "increasing state efforts to create public jobs") can be categorised as generous, *pro-market* activation[84], which are not restricted to those unemployed people who fulfil requirements but are open to anyone and non-conditionally. Finally, the third category of non-conditional labour market policy measures pertains to the domain of passive or regulatory instruments. There, I have number 4, a retrenching (non-generous), and passive measure which aims at "reducing unemployment benefits". In this category also falls measure number 5, "increasing the minimum wage", which is a generous, non-conditional and regulative measure which reduces the likeliness of in-work poverty.

Unfortunately, for one of the categories in Table 45 I have no items at my disposal, which means that I am not able to operationalise conditional and human-capital activation strategies. Moreover, the item "increasing sanctions for the unemployed who refuse a job which is deemed to be appropriate" belongs

[84] This is not a work-first measure since the sanctioning elements are lacking.

to the category of work-first activation (conditional and pro-market) because as is the case for instance for the German Hartz IV scheme a connection between active and passive schemes is a prerequisite. In fact, if an unemployed person refuses a job he or she incurs sanctions which for instance lead to decreases in benefit levels. This example highlights the empirical relevance of the "dotted line", which stands for the theoretical blurring of conditional active and passive labour market measures. In the last category, which covers passive and conditional instruments, I allocate the items "making support for the unemployed conditional on what they are prepared to do" and "increasing the responsibility to be taken by the unemployed". In the first case I argue that support is likely to be primarily material (passive benefits). However, even if support should refer to activation measures, this policy type can be classified as retrenching and conditional. The last item is debatable, but I think that it is useful as it allows us to cross-check the results for item number 7, given that "increasing responsibility for the unemployed" can be understood as a conditional retrenching.

The independent variables

In the following section I discuss the operationalisation of the independent variables which explain preferences for labour market policies in six western European countries.

The objective definition of *self-interest* in the domain of labour market policy attitudes has been operationalised in four different ways. First, a dummy variable was used to capture whether the respondent was unemployed at the time of the survey. Second, I broadened the definition of self-interest to include not only people who are currently unemployed but also those respondents who have been unemployed at least once in their life. Third, I included a variable measuring indirect self-interest, which is captured by the question regarding whether members of their family or friends had been

unemployed during the 12 months prior to the interview. Fourth, I constructed an index of objective self-interest criteria based on whether a person is currently unemployed, has ever been unemployed in his or her life and/or has experienced unemployment among family or friends. I attributed zero points to all those respondents who had no experience with unemployment whatsoever, one point when one of the criteria was fulfilled, and two points when two criteria were met. Three points are assigned to respondents who were unemployed and had family members or friends unemployed at the time of the survey, and who had already experienced unemployment previously.

Furthermore, as argued in the theoretical section, several socio-structural variables may involve a higher likelihood of becoming unemployed and hence favouring particular labour market policies because of a self-interested cost–benefit calculation. Accordingly, I broadened the definition of self-interest to include gender (female), income levels (five income classes) and "high education" (ISCED 5-6[85]) in the models. In line with Hainmueller and Hiscox (2006; 2007; 2010), I expected that generous labour market policies are uninteresting to people not participating in the labour market, rather these might be a burden in terms of taxes. By consequence, I control for the possibly confounding effect of retirement on labour market policy attitudes, including a dummy capturing whether a person is retired or still in the labour market force.

[85] The International Standard Classification of Education (ISCED) is a classification system developed by the United Nations Education, Scientific and Cultural Organization (UNESCO), which allows comparison of national education systems and their related qualifications. The classification is based on information related to the structure and curricula of the national education systems. The ISCED classification distinguishes between seven educational levels, varying from no formal education (ISCED 0) to having a doctoral degree (ISCED 6). For more information see www.usis.unesco.org.

Finally, a measure for "subjective" self-interest was introduced in the models. The variable is based on the question which asks the respondents to self-assess their likelihood of becoming unemployed during the following 12 months.[86]

In the next step I operationalise the individual attitudes towards the unemployed as welfare state beneficiaries, i.e. the perception of whether these people are *deserving* of welfare state support. I constructed a factor composed of three items (Table 50 in the Appendix), which combine the responses of the citizens to the questions of whether they, first, think "most unemployed people are not really interested in finding a job", second believe "most unemployed people are still well off", and third think that "if people do not find a job after a prolonged spell of unemployment it is their own fault[87]". The factor model shows that all these items result in loadings at least as high as 0.70 and the underlying factor has an eigenvalue of 1.66, which is more than adequate to consider it a strong uniform scale[88]. To ease interpretation, I inverted the factor. Thus, high deservingness values mean that a person thinks that the unemployed deserve welfare state support, and low values that a respondent considers the unemployed as undeserving.

An *egalitarian*[89] value orientation has been operationalised by a factor consisting of the items "better-off people should pay more towards supporting the unemployed" (factor loading 0.61), "social

[86] The answers were gauged on a scale from 1 to 4 (not at all likely to very likely). I also tested an alternative measure of subjective self-interest, which asks whether the respondents strongly agree (10) or strongly disagree (1) with the assertion "The issue of unemployment is very important to me personally" ("relevance self"). The results do not change, however.

[87] The answers were gauged on a scale from 1 to 5 (completely disagree to completely agree).

[88] See Table 50 in the Appendix.

[89] I also tested an alternative operationalisation with the item "He thinks it is important that every person in the world should be treated equally. He believes everyone should have equal opportunities in life" from the Schwartz value battery, where the respondent could respond in terms of whether this fictitious person is "not like me at all" to "very much like me". When

inequality should be reduced" (0.65), and "solidarity with the unemployed should be increased" (0.61), relying on the Kaiser criterion, whose eigenvalue of 1.43 can also be considered adequate. Also in this case, higher variables mean a stronger adherence to egalitarianism and social equality (Table 50 in the Appendix).

The socio-tropic evaluation of the labour market situation was captured by means of the question "what do you think about the state of the labour market these days in your country?", which could be answered with values between 1 (very bad) and 5 (very good).

Finally, as control variables I include age in years and, following Zaller (2006 [1992]), the level of policy-specific sophistication, which I operationalise by means of five knowledge questions about unemployment and labour market policy (see Table 51 in the Appendix). I divided the respondents into two groups depending on the score they reached in this "test". According to this procedure a high policy-specific sophistication level was reached by 49.79% of the sample; the remaining 50.21% of the respondents were instead not able to respond correctly to more than three questions (see also Fossati 2013).

replicating the results displayed in this chapter with this alternative operationalization, no major changes can be found.

Empirical results

The results in Table 46 and Table 47 show that, as hypothesised in H1, respondents with high levels of *egalitarian values* strongly support *non-conditional* policies. In more detail, the results indicate that they endorse generous policies, such as increasing the minimum wage (universal regulation), training and reintegration efforts (universal human-capital activation) and public job creation (universal pro-market activation). Conversely, egalitarian people are against the reduction of unemployment benefits, which is a non-conditional passive measure but aims at *reducing* generosity. Overall, egalitarian values seem to be good predictors of labour market policy attitudes when non-conditional policy options are at stake but are irrelevant when people are asked to express their preferences on conditional ones ("increasing the responsibility to be taken by the unemployed", "making support for the unemployed conditional on what they are prepared to do" and marginal in the case of "increasing sanctions for the unemployed who refuse a job which is deemed to be appropriate").

Table 46: The effect of values, self-interest, and socio-tropic evaluations on preferences for (active) labour market policies

	CONDITIONAL						NON-CONDITIONAL									
	ACTIVE		PRO-MARKET		PASSIVE		PRO-MARKET ACTIVATION				H-C ACTIVATION		PASSIVE			
Policies°	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)	
	Responsibility for the unemployed		Sanction for job refusal		Support depends on engagement		Increase reintegration effort		Public job creation		Training		Reduction of UB		Increase the minimum wage	
Egalitarian	-0.021	(0.030)	-0.042	(0.033)	-0.002	(0.036)	**0.351*****	**(0.028)**	**0.558*****	**(0.033)**	**0.286*****	**(0.030)**	**-0.129*****	**(0.034)**	**0.579*****	**(0.033)**
Deserving	**-0.560*****	**(0.027)**	**-0.391*****	**(0.029)**	**-0.480*****	**(0.033)**	**0.065****	**(0.024)**	-0.059	(0.031)	**0.093*****	**(0.027)**	**-0.670*****	**(0.032)**	0.013	(0.030)
Jobless	**-0.263****	**(0.091)**	-0.083	(0.116)	-0.162	(0.110)	0.018	(0.074)	0.103	(0.101)	**0.246*****	**(0.073)**	-0.148	(0.104)	0.079	(0.084)
Previous unempl.	0.052	(0.041)	-0.029	(0.047)	0.039	(0.051)	-0.013	(0.036)	0.018	(0.045)	-0.024	(0.041)	-0.021	(0.047)	0.021	(0.044)
Indirect unempl.	0.011	(0.040)	-0.039	(0.045)	-0.008	(0.049)	0.036	(0.034)	-0.012	(0.043)	-0.012	(0.039)	-0.046	(0.047)	-0.035	(0.042)
Socio-tropic (job market)	**-0.079****	**(0.026)**	-0.038	(0.029)	**-0.065***	**(0.032)**	**0.052***	**(0.022)**	**0.125*****	**(0.029)**	-0.005	(0.024)	**-0.068***	**(0.030)**	**0.074****	**(0.027)**
Female	0.034	(0.041)	0.018	(0.047)	0.061	(0.051)	0.106**	(0.036)	0.158***	(0.044)	0.088*	(0.041)	0.015	(0.047)	0.155***	(0.045)
Age	0.004**	(0.002)	0.007***	(0.002)	-0.001	(0.002)	0.002	(0.001)	-0.006***	(0.002)	0.002	(0.002)	-0.006**	(0.002)	-0.000	(0.002)
Retired	-0.005	(0.063)	0.152*	(0.068)	0.118	(0.081)	0.059	(0.053)	0.005	(0.076)	0.029	(0.060)	0.186*	(0.074)	0.011	(0.071)
High soph.	0.081	(0.042)	0.059	(0.047)	0.067	(0.053)	0.118**	(0.036)	-0.174***	(0.046)	0.079	(0.041)	-0.073	(0.050)	-0.241***	(0.045)
High edu.	-0.027	(0.038)	-0.059	(0.042)	0.079	(0.047)	-0.004	(0.033)	-0.043	(0.041)	-0.074*	(0.037)	0.099*	(0.042)	-0.216***	(0.043)
Income 1																
Income 2	-0.052	(0.073)	-0.014	(0.086)	0.081	(0.085)	-0.045	(0.055)	0.011	(0.071)	0.031	(0.061)	0.087	(0.083)	0.076	(0.070)
Income 3	-0.107	(0.068)	0.107	(0.081)	0.026	(0.080)	-0.079	(0.054)	-0.074	(0.069)	-0.076	(0.059)	0.089	(0.079)	0.034	(0.068)
Income 4	-0.061	(0.070)	0.200*	(0.082)	0.052	(0.084)	0.005	(0.056)	-0.066	(0.073)	-0.006	(0.065)	0.172*	(0.083)	-0.032	(0.072)
Income 5	0.018	(0.076)	0.248**	(0.092)	0.182*	(0.092)	0.073	(0.063)	-0.024	(0.082)	-0.047	(0.075)	0.175	(0.090)	-0.043	(0.083)
Academic																
Senior off.	-0.047	(0.087)	0.132	(0.094)	0.246*	(0.112)	0.021	(0.070)	-0.062	(0.098)	0.230**	(0.078)	-0.049	(0.090)	0.035	(0.098)
Clark	0.021	(0.063)	0.094	(0.068)	0.241**	(0.075)	0.072	(0.052)	-0.031	(0.064)	0.032	(0.061)	0.033	(0.070)	0.016	(0.069)
Sales	0.002	(0.083)	0.045	(0.093)	0.367***	(0.102)	0.019	(0.067)	0.022	(0.083)	-0.054	(0.073)	0.084	(0.091)	0.091	(0.086)
Service	0.001	(0.071)	0.159*	(0.077)	0.212*	(0.086)	0.080	(0.059)	0.091	(0.072)	0.126	(0.066)	-0.059	(0.080)	0.167*	(0.078)
High work	-0.007	(0.076)	0.093	(0.085)	0.307**	(0.095)	0.042	(0.064)	-0.116	(0.087)	-0.001	(0.076)	-0.014	(0.089)	0.063	(0.083)
Mid. work	-0.255	(0.142)	0.011	(0.140)	0.348*	(0.147)	-0.126	(0.141)	0.127	(0.129)	0.147	(0.107)	-0.239	(0.156)	0.094	(0.146)
Low work	0.292**	(0.110)	0.028	(0.127)	0.255*	(0.124)	0.102	(0.084)	-0.083	(0.115)	0.048	(0.106)	0.075	(0.125)	-0.061	(0.109)
Agriculture	-0.156	(0.288)	0.007	(0.248)	-0.144	(0.247)	0.228	(0.152)	-0.028	(0.213)	-0.356	(0.199)	0.325	(0.197)	-0.036	(0.249)
A. forces	-0.040	(0.225)	-0.336	(0.345)	0.005	(0.261)	-0.344	(0.193)	0.327	(0.366)	-0.608**	(0.215)	-0.160	(0.319)	-0.180	(0.244)
Crafts	-0.263	(0.245)	-0.421	(0.360)	-0.073	(0.256)	-0.038	(0.197)	0.254	(0.252)	0.047	(0.289)	-0.337	(0.270)	-0.125	(0.229)

Table 47 (continued): The effect of values, self-interest, and socio-tropic evaluations on preferences for (active) labour market policies

Center																
Communi.	-0.123	(0.145)	-0.485*	(0.212)	-0.230	(0.186)	-0.273*	(0.123)	0.212	(0.162)	-0.488***	(0.140)	-0.242	(0.157)	0.276*	(0.138)
Left	-0.199***	(0.056)	-0.163*	(0.064)	-0.067	(0.070)	-0.121*	(0.047)	0.189**	(0.060)	0.007	(0.055)	-0.001	(0.066)	0.171**	(0.063)
Right	0.012	(0.056)	0.110	(0.064)	0.220**	(0.072)	-0.110*	(0.048)	-0.007	(0.063)	-0.090	(0.059)	0.215**	(0.067)	0.022	(0.065)
Rad. Right	-0.181*	(0.087)	0.014	(0.094)	0.076	(0.105)	-0.242***	(0.072)	-0.015	(0.094)	-0.170*	(0.086)	-0.234*	(0.100)	0.274**	(0.089)
Constant	3.770***	(0.141)	3.331***	(0.158)	2.975***	(0.174)	3.860***	(0.122)	3.324***	(0.145)	3.719***	(0.129)	2.869***	(0.158)	3.194***	(0.152)
R^2	0.292		0.224		0.306		0.176		0.236		0.141		0.377		0.296	
adj. R^2	0.286		0.217		0.300		0.169		0.230		0.133		0.372		0.290	
N	3884		3884		3884		3884		3884		3884		3884		3884	

°Country dummies omitted in this output. Standard errors in parentheses, * $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. Reference categories: income 1, centrist parties, academics.

Table 46 and Table 47 also support the hypothesis that deservingness is a good predictor of preferences for conditional measures. In fact, this variable exerts a significantly negative effect on all conditional measures (models 1–3); in other words, the more a respondent thinks that the unemployed deserve welfare support, the more he or she is *opposed* to increases in conditionality, responsibility and coercion (H2a). These findings underpin the argument that policies with conditional access criteria allow for an individualised judgement of the commitment an unemployed person shows and hence may foster *deservingness* judgements.

The results, however, provide less support for the second part of hypothesis H2a, which assumed that a person who thinks the unemployed are deserving of welfare benefits should prefer more generous labour market policies. In fact, the coefficients for these measures are non-significant, except for a very moderate positive effect on increasing training and reintegration efforts.

Moreover, I found that that, with the exception of three items (“reducing benefits for the unemployed” and, to a smaller extent, “increasing training efforts” and “increase reintegration efforts”) the crowding-out hypothesis proposed by Petersen et al. (2010) is supported. In fact, whenever a policy allows for a deservingness judgement, egalitarian values do not predict labour market policy attitudes well (H2b). In my view, the three ambivalent results can be explained by the fact that “benefit reduction”, “training”, and “reintegration” are often intertwined, particularly in countries where non-compliance with participation in training programmes is sanctioned by cuts in passive benefits. The results thus suggest that citizens are aware of the ambiguity of reforms such as Hartz IV where reduction of benefits has been utilised as a sanctioning mechanism to enforce activation policies. Consequently, some of the respondents apply one of the two value-based decision-making processes, probably depending on how they interpret the focus of the policy, while some might even apply both egalitarianism and deservingness judgements contemporaneously. This result is even more interesting in

light of the fact that Achen et al. (2013) argued that welfare preferences are multidimensional and cannot be explained merely by more or less egalitarian orientations.

In the following I present the results for the objective and subjective self-interest indicators. In Table 46 and Table 47 only the fully specified models are shown. These models include indicators for values (egalitarianism and deservingness), self-interest measures (joblessness, previous and current unemployment experience), socio-tropic evaluations (job market), gender, age, sophistication, education, retirement, income, party preferences and occupation type. Additionally, in Table 53, Table 54 and Table 55 (in the Appendix) the stepwise specification is provided.[90]

The models introducing the self-interest variables stepwise show that, before controlling for egalitarianism and deservingness, current and previous joblessness and indirect unemployment

[90] Please refer to Table 53, Table 54, and Table 55 in the Appendix for the detailed results and in particular for the results of the interactions between self-interest, deservingness and egalitarianism. In fact, I ran all eight models with three different interaction terms (egalitarian*self-interest, deservingness*self-interest and job market evaluation*self-interest) and found that only three of them are significant. I show these relationships in Tables 56, Table 57 and Table 58 i n the Appendix. The significant results concern three different policy instruments, i.e. "support depends on the engagement of an unemployed person", "responsibility for the single unemployed should be increased" and "training efforts should be increased". The marginal effect plot (Figure 10) shows the effect of the interaction between deservingness perception and the level of self-interest. The result is that the higher the level of self-interest and the more a person thinks that the unemployed deserve welfare support, the less he or she agrees to make support conditional on the unemployed people's engagement. Similarly, a negative relationship can be found for the interaction between deservingness perception and self-interest (see Figure 11). In fact, people who are currently unemployed, have been unemployed and experience unemployment among family members or friends, and thus have the highest level of self-interest, are the ones who are most strongly against increasing responsibility for the unemployed, whereas people with low levels of self-interest are less radical in this respect.
Finally, in Figure 12 I show the marginal effect of the interaction term between self-interest and the current job market evaluation. The plot very nicely shows that with an increasing level of self-interest and with bad (subjective) evaluations of the state of the country's labour market, the endorsement of training effort increases.

experiences among friends or in the family are often significant predictors of labour market attitudes. For instance, the variables capturing the effect of objective self-interest significantly decrease the likelihood of endorsing a reduction in unemployment benefits and an increase in sanctions (Model 1, Table 53). However, after introducing values, most of these effects become non-significant (models 2–5, Table 53). This fact can be interpreted as a sign of the indirect effects of self-interest through values on attitudes (cf. Chapter 4).

As shown in Table 46 and Table 47, people who were jobless at the time of the survey, had previous unemployment experiences, or were indirectly affected by this phenomenon are mostly opposed to conditional pro-market activation measures and accordingly measures which allow for an individualised deservingness judgement. Moreover, these respondents are against reducing unemployment benefits, whereas they endorse a minimum wage increase, universal human-capital activation and universal pro-market activation. Thus, the findings are consistent with predictions made by hypothesis H3a. However, only the effect of increased training and a reduction of self-responsibility are significant.

Furthermore, in Table 46 and Table 47 I present the analyses for the socio-tropic evaluations ("job market"). In line with the expectations, the results indicate that people who think that the situation in the job market has become worse endorse especially generous passive, pro-market activation and reject conditional measures. More specifically, the respondents are against reducing unemployment benefits (retrenching passive), as well as increasing the individual responsibility or engagement of the unemployed (conditional). Conversely, these citizens favour reintegration measures, public job creation (pro-market activation) and generous minimum wage schemes (H4a and H4b).

Interestingly, women endorse both active and passive labour market policies, provided these are generous and non-conditional. In particular, women favour minimum wage rises, training and reintegration efforts, and public job creation. Instead, no significant relationship can be found between

gender and preferences for the reduction of passive benefits, where I would have expected a strong and negative coefficient. These findings are in line with the hypothesis (H3c) and support previous research which found that women are in favour of stronger welfare state engagement independently of the specific programme (Svallfors 1997).

I also find that the *older* a person is, the more he or she is in favour of increasing the responsibility and the sanctioning mechanisms for the unemployed. Moreover, for each additional year of age the coefficient related to the reduction of passive benefits and public job creation significantly decreases by 0.006 and 0.005. In line with H3b I show that *retired* people strongly endorse cuts in passive benefits and increasing sanctions for the unemployed. This result supports the self-interest thesis and the study by Goul Andersen (2002), who shows that elderly people are more inclined to prefer those policies from which they directly benefit.

Table 46 and Table 47 also reveal that people with *high political sophistication* in the area of labour market policy favour reintegration measures. However, they appear to be strongly against increasing the minimum wage and creating public jobs. These findings suggest that highly policy-specifically sophisticated people endorse those policies which are promoted by supranational organisations, i.e. flexibilising, marginalising and above all activating reform strategies.

The results for people with *tertiary education* back the assumption that higher levels of socio-economic status should lead to preferences for non-generous and conditional measures. In fact, respondents with a high education level are against increasing training efforts (obviously because of their already high level of education), but for reducing unemployment benefits and against increases in the minimum wage.

Following this, the *income* of a person has been taken into account and it can be shown that with increasing revenues people tend to endorse conditionality and reduction of benefits, as compared to

people within the lowest income category (H3d). To complete the picture of the effects of different socio-structural characteristics I controlled for occupation type but the results do not feature systematic patterns and hence do not allow specific conclusions to be drawn out.

Lastly, I introduce controls for partisanship. Model 1 suggests that left and radical right voters are against increasing the responsibility of the unemployed as compared to centrist ones. Similar patterns appear for the measure "increasing training effort", which is opposed by both communist and radical right voters, and for the item "increasing minimum wage", which is endorsed by communist, left and radical right voters. Model 2 indicates that communist and left partisans strongly refuse sanctions, and right and radical right voters significantly endorse increasing requirements for the engagement of the unemployed as compared to voters of the political centre (Model 3). Model 4 shows that all parties are significantly less supportive of increasing reintegration efforts as compared to centrist respondents and Model 5 reveals that in particular left party voters support public job creation. Finally, a very interesting insight is disclosed by Model 7, where I show that while rightist voters endorse reduction of unemployment benefits, radical right parties are strongly against it.

The finding that voters for radical right parties are against increasing responsibilities for the unemployed, reintegration efforts, reduction of unemployment benefits and instead endorse increases in minimum wages suggests that radical right parties must not have a liberalising stance in welfare state issues (Mudde 2007). Leftist voters instead are supportive of public job creation and an increasing minimum wage. Conversely, they oppose conditional measures and, somewhat surprisingly, they are not significantly against reducing unemployment benefits and increasing re-integration effort (as compared to centrist voters).

In sum, these results indicate that preferences for unemployment policies differ depending on socio-structural characteristics, self-interest and socio-tropic evaluations, as well as value orientations. The

results also suggest that politicians who engage in labour market policy reforms should pay particular attention to the framing strategy. In fact, as the analyses show, egalitarianism and deservingness heuristics are very powerful predictors of policy preferences and hence are most likely to resonate with the electorate and hence mobilise support, which could contribute to the success of the particularly difficult reform processes that governments face in post-industrial economies.

Discussion

In this paper I analysed whether individual characteristics such as self-interest, value orientations and socio-tropic considerations influence public attitudes towards labour market policies. In fact, in the domain of preferences towards ALMPs, the scholarly research is still underdeveloped, even though recent decades' reforms introduced (different) activating elements almost as default options across Europe.

To analyse these preferences I introduced three theoretical distinctions. First, and in line with the traditional welfare state research, I draw a distinction between generous and retrenching policies (cf. Korpi 1983; Huber and Stephens 2001). Second, I argue that respondents evaluate the measures in terms of whether these are conditional or non-conditional (cf. Kitschelt 1994; Kriesi et al. 2006 and 2008) and third I distinguish between human-capital, or pro-market activation and passive benefits.

I drew several hypotheses and find empirical support for the expectation that values play a pivotal role in explaining labour market attitudes. In fact, whenever a policy measure is *non-conditional* and *generous*, egalitarian values are good predictors. Conversely, when *conditional* labour market policies are at stake, deservingness judgements and hence equity-based evaluations perform particularly well.

Thus, along the lines of Petersen et al. (2010), one central finding of this chapter is that whenever a labour market policy entails the possibility of making a "deservingness judgement", other value-related criteria (such as egalitarian values in particular) are "crowded out".

Second, I found that traditional self-interest-based explanations shed light on why generous and non-conditional labour market policies are endorsed and retrenching and coercive ones are rejected. I found that jobless people tend to favour measures such as training, which increase their chances of re-entering the labour market, but are strongly against increasing responsibilities and hence measures which entail negative incentives.

Moreover, the results show that socio-tropic considerations influence policy preferences; indeed, respondents who think that the job situation developed for the worse favour generous passive measures and pro-market activation and are against increasing self-reliance.

The models including the interaction effects between self-interest and socio-tropic evaluations disclose that people with high levels of self-interest endorse in particular (re-)training measures, and that this effect is stronger when the respondents evaluate the job market situation as being worse than the previous year.

I also found support for the hypothesis that pensioners favour cuts in benefits for the working-age population, particularly focusing on the generosity of unemployment benefits. The results also suggest that people with high socio-economic status or high levels of policy-specific sophistication are generally sceptical of policies such as increases in minimum wage or public job creation, which to some extent (re-)distribute resources in slightly undifferentiated manners. Instead, these respondents endorse measures strengthening the self-reliance of the unemployed individual. Women could be shown to prefer non-conditional measures, provided they are generous.

Finally, I show that party preferences have an effect on the endorsement of specific labour market policies. While communist and left partisans reject conditional measures, they do support generous regulatory schemes such as increases in minimum wages. Interestingly, radical right voters do not favour retrenching and conditional instruments (Mudde 2007). In fact, they reject increasing responsibility for the individual unemployed person and a reduction of unemployment benefits and approve of increases in the minimum wage.

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Appendix

Table 48: Hypotheses

	Hypotheses	**Domain**
H1	People with a higher attachment to egalitarian values endorse non-conditional and generous labour market policies	Egalitarianism
H2a	The more a person doubts that the unemployed deserve welfare support the more he or she endorses conditional and coercive policies	Deservingness
H2b	Deservingness judgements are more powerful predictors of conditional and coercive policies	Deservingness *Crowding-out*
H3a	People who have experienced unemployment or currently are unemployed can be expected to endorse non-conditional, generous passive and ALMPs. Conversely, these persons should be against retrenching and individualised measures	Self-interest *Unemployed, or unemployment experience*
H3b	I expect that in particular individualised activation measures (work-first) are endorsed while universal passive ones are refused (H3b)	Self-interest *Retired*
H3c	I expect that female respondents are in favour of both active and passive policies provided that these are non-conditional.	Self-interest *Women*
H3d	Higher socio-economic status should determine an endorsement of labour market policy retrenchment and preferences for individualised access.	Self-interest *Socio-economic status*
H3e	All those people who perceive unemployment as being a particularly salient problem for themselves can be expected to prefer generous and universal active and passive measures	Self-interest *Perceived unemployment risk*
H4a	I expect that the endorsement of generous and universal labour market policies should decrease whenever a person thinks the economy is going well	Socio-tropic *Good development*
H4b	the more a person is of the opinion that economic development has worsened, the more he or she will endorse policies which are generous and universal in scope	Socio-tropic *Bad development*
H4c	People with the perception that unemployment is a particularly salient problem for society prefer conditional activation measures	Socio-tropic *Bad development*

Table 49: Question wording

Variable	Variable wording	Answer categories
Socio-tropic (job market)	What do you thing about the state of the labour market these days in [country]? Please answer on a scale ranging from…	Very bad (1) – very good (5)
Reduc. Benefit	Cuts in unemployment benefits.	Strongly disagree – (1) Strongly agree (5)
Minwage	Higher minimum wages.	Strongly disagree – (1) Strongly agree (5)
Statejob	Creation of jobs by the state.	Strongly disagree – (1) Strongly agree (5)
Training	More training courses for the unemployed.	Strongly disagree – (1) Strongly agree (5)
Reintegr	Active steps should be taken to reintegrate unemployed people.	Strongly disagree – (1) Strongly agree (5)
Increase responsibility	Unemployed people should accept more responsibility for themselves.	Strongly disagree – (1) Strongly agree (5)
Support depends	The support unemployed people get should depend on what they are prepared to do for it.	Strongly disagree – (1) Strongly agree (5)
Increase sanction	Tougher sanctions against people who refuse to accept a reasonable job offer.	Strongly disagree – (1) Strongly agree (5)

Table 50: Factor analyses for deservingness and egalitarianism

Deservingness			**Factor loading**
	Here are some statements about unemployment. Please indicate whether you agree with these statements or not. Answers: 1 ”strongly disagree” to 5 “strongly agree”		
1	Most unemployed people are not really interested in finding a job		**0.746**
2	Most unemployed people are still well off		**0.773**
3	If people do not find a job after a prolonged spell of unemployment it is their own fault		**0.726**
		Eigenvalue	1.681
		N	8492
Egalitarianism			
1	Better-off people should pay more towards supporting the unemployed		**0.615**
2	Social inequality should be reduced		**0.646**
3	Solidarity with the unemployed should be increased		**0.610**
		Eigenvalue	1.443
		N	8942

Table 51: Policy-specific political sophistication

Wording	Political parties have different positions on ways of fighting unemployment. What would you say: is it rather the parties on the left or the parties on the right which are ... Answers: left/right/don’t know
1	… in favour of cutting the support for the unemployed?
2	… in favour of the creation of jobs by government
3	… in favour of relaxing job protection
4	… in favour of increasing minimum wages
5	… in favour of restricting the admission of foreign workers

Table 52: Party classification

Party family	Parties	Country
	die Linke	Germany
Communists	Communist Party (PCF)	France
	Social Democrats (SP)	Switzerland
	Greens (GPS)	Switzerland
	Social Democrats (SPD)	Germany
	Bündnis 90/die Grünen	Germany
	Greens	Denmark
	Parti Socialiste (PS)	France
	Greens	France
	Italia dei Valori (IdV)	Italy
	Greens	France
	Labour	UK
	Greens	UK
	Social Democrats (DK)	Denmark
	Radicale Venstre	Denmark
	Socialist Folkeparty (SD)	Denmark
Left and Greens	Greens	Denmark
	Christian-Democratic Party (CVP)	Switzerland
	Liberal Party (FDP)	Switzerland
	Christian Democrat Party (CDU-CSU)	Germany
	Mouvement démocrate (Modem)	France
	Partito Democratico (PD)	Italy
	Unione di Centro (UdC)	Italy
	Liberal Democrats	UK
Centre	Christian Democrats	Denmark
	Swiss national Party (SVP)	Switzerland
	Liberal Party	Germany
	Union Mouvement Populaire (UMP)	France
	Popolo della Liberatà (PdL)	Italy
	Tories	UK
	Conservatives	Denmark
	Liberal Alliance	Denmark
Right	Venstre	Denmark
	Front National (FN)	France
	Lega	Italy
	British National Party	UK
	UK Independence Party	UK
Radical Right	Danis Folkeparti	Denmark

Table 53: Complete model specifications

Dependent variable	**Model 1**		**Model 2**		**Model 3**		**Model 4**		**Model 5**	
Increase minimum wage°	**Self-interest**		**Self-interest & values**		**Self-interest index & values**		**Obj. and subj. self-interest & values**		**Self-interest, values & job market evaluation**	
Egalitarian			**0.590*****	**(0.032)**	**0.589*****	**(0.032)**	**0.591*****	**(0.039)**	**0.578*****	**(0.033)**
Deserving			0.024	(0.030)	0.026	(0.030)	0.001	(0.036)	0.015	(0.030)
Jobless	**0.190***	**(0.093)**	0.103	(0.083)						
Previous unempl.	0.079	(0.047)	0.026	(0.044)			0.016	(0.054)		
Indirect unempl.	0.060	(0.045)	-0.019	(0.042)			-0.004	(0.051)		
Index self-interest					0.015	(0.028)			0.002	(0.028)
Not likely							0.041	(0.059)		
Likely							-0.123	(0.080)		
Very likely							0.111	(0.098)		
Socio-tropic									**0.074****	**(0.026)**
R^2	0.161		0.294		0.293		0.305		0.296	
adj. R^2	0.154		0.288		0.288		0.296		0.290	
N	3884		3884		3884		2759		3884	
Reduction UB	**(1)**		**(2)**		**(3)**		**(4)**		**(5)**	
Egalitarian			**-0.139*****	**(0.034)**	**-0.139*****	**(0.034)**	**-0.191*****	**(0.042)**	**-0.129*****	**(0.034)**
Deserving			**-0.680*****	**(0.031)**	**-0.682*****	**(0.031)**	**-0.659*****	**(0.038)**	**-0.671*****	**(0.031)**
Jobless	**-0.438*****	**(0.116)**	-0.170	(0.104)						
Previous unempl.	**-0.143****	**(0.054)**	-0.026	(0.047)			0.013	(0.057)		
Indirect unempl.	**-0.174*****	**(0.052)**	-0.060	(0.047)			-0.082	(0.056)		
Index self-interest					**-0.058***	**(0.028)**			-0.047	(0.029)
Not likely							-0.049	(0.060)		
Likely							-0.099	(0.087)		
Very likely							-0.164	(0.113)		
Socio-tropic									**-0.070***	**(0.030)**
R^2	0.192		0.376		0.375		0.380		0.377	
adj. R^2	0.186		0.370		0.370		0.373		0.372	
N	3884		3884		3884		2759		3884	
Reintegration effort	**(1)**		**(2)**		**(3)**		**(4)**		**(6)**	
Egalitarian			**0.359*****	**(0.028)**	**0.359*****	**(0.028)**	**0.355*****	**(0.032)**	**0.352*****	**(0.028)**
Deserving			**0.073****	**(0.024)**	**0.073****	**(0.024)**	**0.091****	**(0.029)**	**0.065****	**(0.024)**
Jobless	0.109	(0.079)	0.035	(0.073)						
Previous unempl.	0.032	(0.037)	-0.009	(0.036)			0.004	(0.044)		
Indirect unempl.	**0.103****	**(0.036)**	0.046	(0.034)			0.044	(0.042)		
Index self-interest					0.021	(0.022)			0.013	(0.022)
Not likely							**-0.094***	**(0.046)**		
Likely							-0.089	(0.064)		
Very likely							-0.096	(0.079)		
Socio-tropic									**0.053***	**(0.022)**
R^2	0.072		0.174		0.174		0.177		0.176	
adj. R^2	0.064		0.167		0.167		0.167		0.169	
N	3884		3884		3884		2759		3884	

Table 54 (continued): Complete model specifications

Increase sanctions	(1) Self-interest		(2) Self-interest & values		(3) self-interest index & values		(4) obj. and subj. self-interest & values		(6) self-int., values & job market evaluation	
Egalitarian			-0.047	(0.033)	-0.047	(0.033)	-0.062	(0.040)	-0.042	(0.032)
Deserving			**-0.397*****	**(0.028)**	**-0.398*****	**(0.028)**	**-0.399*****	**(0.036)**	**-0.392*****	**(0.029)**
Jobless	**-0.247***	**(0.118)**	-0.095	(0.116)						
Previous unempl.	**-0.097***	**(0.049)**	-0.032	(0.047)			0.030	(0.056)		
Indirect unempl.	**-0.109***	**(0.046)**	-0.047	(0.045)			-0.052	(0.055)		
Index self-interest					-0.046	(0.028)			-0.040	(0.028)
Not likely							**-0.189****	**(0.060)**		
Likely							**-0.245****	**(0.086)**		
Very likely							**-0.267***	**(0.111)**		
Socio-tropic									-0.039	(0.029)
R^2	0.149		0.223		0.223		0.234		0.224	
adj. R^2	0.142		0.217		0.217		0.224		0.217	
N	3884		3884		3884		2759		3884	
Public job creation	**(1)**		**(2)**		**(3)**		**(4)**		**(6)**	
Egalitarian			**0.576*****	**(0.033)**	**0.575*****	**(0.033)**	**0.569*****	**(0.040)**	**0.557*****	**(0.033)**
Deserving			-0.041	(0.031)	-0.039	(0.031)	0.010	(0.038)	-0.058	(0.031)
Jobless	0.205	(0.105)	0.143	(0.101)						
Previous unempl.	0.069	(0.048)	0.027	(0.045)			0.049	(0.054)		
Indirect unempl.	0.082	(0.046)	0.013	(0.043)			-0.017	(0.050)		
Index self-interest					0.035	(0.028)			0.014	(0.027)
Not likely							0.077	(0.057)		
Likely							0.029	(0.083)		
Very likely							0.172	(0.098)		
Socio-tropic									**0.125*****	**(0.028)**
R^2	0.104		0.229		0.228		0.240		0.236	
adj. R^2	0.097		0.222		0.222		0.231		0.230	
N	3884		3884		3884		2759		3884	
Support dep. engagement	**(1)**		**(2)**		**(3)**		**(4)**		**(6)**	
Egalitarian			-0.012	(0.036)	-0.012	(0.036)	-0.014	(0.044)	-0.002	(0.036)
Deserving			**-0.490*****	**(0.033)**	**-0.493*****	**(0.033)**	**-0.486*****	**(0.040)**	**-0.483*****	**(0.033)**
Jobless	**-0.365****	**(0.113)**	-0.183	(0.109)						
Previous unempl.	-0.043	(0.054)	0.034	(0.051)			0.080	(0.062)		
Indirect unempl.	-0.092	(0.051)	-0.021	(0.049)			-0.027	(0.060)		
Index self-interest					-0.016	(0.031)			-0.005	(0.031)
Not likely							-0.057	(0.066)		
Likely							-0.029	(0.096)		
Very likely							-0.093	(0.110)		
Socio-tropic									**-0.068***	**(0.031)**
R^2	0.225		0.305		0.304		0.296		0.305	
adj. R^2	0.219		0.299		0.298		0.287		0.300	
N	3884		3884		3884		2759		3884	

Table 55 (continued): Complete model specifications

Increase training	(1)		(2)		(3)		(4)		(5)	
Egalitarian			**0.285*** **	**(0.030)**	**0.284*** **	**(0.030)**	**0.299*** **	**(0.037)**	**0.285*** **	**(0.030)**
Deserving			**0.092*** **	**(0.026)**	**0.096*** **	**(0.026)**	**0.115*** **	**(0.033)**	**0.096*** **	**(0.027)**
Jobless	**0.315*** **	**(0.074)**	**0.244*** **	**(0.073)**						
Previous unempl.	0.013	(0.042)	-0.025	(0.041)			-0.029	(0.049)		
Indirect unempl.	0.036	(0.040)	-0.013	(0.039)			-0.054	(0.048)		
Index self-interest					0.012	(0.025)			0.012	(0.025)
Not likely							-0.024	(0.055)		
Likely							0.069	(0.073)		
Very likely							**0.177***	**(0.082)**		
Socio-tropic Egalitarian									-0.001	(0.024)
R^2	0.079		0.141		0.138		0.156		0.138	
adj. R^2	0.071		0.134		0.131		0.146		0.131	
N	3884		3884		3884		2759		3884	
Responsibility for U	(1)		(2)		(3)		(4)		(6)	
Egalitarian			-0.032	(0.029)	-0.031	(0.029)	-0.052	(0.034)	-0.019	(0.030)
Deserving			**-0.571*** **	**(0.027)**	**-0.576*** **	**(0.027)**	**-0.542*** **	**(0.033)**	**-0.564*** **	**(0.027)**
Jobless	**-0.502*** **	**(0.104)**	**-0.288** **	**(0.091)**						
Previous unempl.	-0.045	(0.046)	0.046	(0.041)			0.056	(0.050)		
Indirect unempl.	**-0.090***	**(0.044)**	-0.005	(0.040)			-0.013	(0.048)		
Index self-interest					-0.016	(0.024)			-0.002	(0.024)
Not likely							**-0.126***	**(0.053)**		
Likely							-0.126	(0.077)		
Very likely							-0.177	(0.098)		
Socio-tropic									**-0.083** **	**(0.026)**
R2	0.117		0.289		0.285		0.275		0.289	
adj. R2	0.110		0.283		0.280		0.266		0.283	
N	3884		3884		3884		2759		3884	

°All models control for gender, age, high education, high sophistication, income, party preference, occupation and country dummies.

Table 56: Interaction between evaluation of the job market situation and self-interest (index)

	CONDITIONAL						NON-CONDITIONAL									
	ACTIVE		PRO-MARKET		PASSIVE		PRO-MARKET ACTIVATION				H-C ACTIVATION		PASSIVE			
Policies°	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)	
	Responsibility for the unemployed		Sanction for job refusal		Support depends on engagement		Increase effort		reintegration	Public job creation	Training		Reduction of UB		Increase the minimum wage	
Egalitarian	-0.024	(0.030)	-0.044	(0.033)	-0.005	(0.036)	0.346***	(0.028)	0.563***	(0.033)	0.282***	(0.030)	-0.128***	(0.034)	0.593***	(0.033)
Deserving	-0.553***	(0.026)	-0.389***	(0.028)	-0.472***	(0.033)	0.078**	(0.024)	-0.074*	(0.031)	0.098***	(0.026)	-0.675***	(0.031)	-0.021	(0.030)
Index U	0.009	(0.094)	-0.165	(0.108)	0.033	(0.116)	-0.069	(0.085)	0.111	(0.102)	**-0.253****	**(0.086)**	-0.040	(0.105)	-0.104	(0.099)
Socio-tropic	**-0.079***	**(0.037)**	-0.073	(0.042)	-0.058	(0.047)	0.031	(0.031)	**0.151*****	**(0.040)**	**-0.075***	**(0.033)**	-0.070	(0.044)	0.043	(0.039)
Self*Jobm	-0.002	(0.026)	0.034	(0.030)	-0.010	(0.031)	0.023	(0.021)	-0.026	(0.028)	**0.073****	**(0.022)**	-0.002	(0.029)	0.029	(0.026)
Female	0.029	(0.041)	0.012	(0.047)	0.052	(0.050)	0.092**	(0.035)	0.181***	(0.044)	0.072	(0.040)	0.022	(0.047)	0.186***	(0.045)
Age	0.004**	(0.002)	0.007***	(0.002)	-0.001	(0.002)	0.003	(0.001)	-0.006***	(0.002)	0.003	(0.002)	-0.006**	(0.002)	-0.001	(0.002)
Retired	0.008	(0.062)	0.159*	(0.067)	0.122	(0.081)	0.067	(0.053)	-0.010	(0.076)	0.029	(0.060)	0.184*	(0.074)	0.006	(0.071)
Income	0.007	(0.017)	0.076***	(0.019)	0.034	(0.020)	0.025	(0.014)	-0.025	(0.018)	-0.016	(0.016)	0.045*	(0.019)	-0.039*	(0.018)
Center																
Commun.	-0.143	(0.146)	-0.485*	(0.212)	-0.244	(0.187)	-0.261*	(0.122)	0.216	(0.163)	-0.453**	(0.140)	-0.242	(0.160)	0.276*	(0.137)
Left	-0.198***	(0.056)	-0.155*	(0.064)	-0.069	(0.071)	-0.117*	(0.048)	0.176**	(0.061)	0.017	(0.055)	-0.006	(0.066)	0.169**	(0.063)
Right	0.003	(0.057)	0.111	(0.064)	0.210**	(0.073)	-0.117*	(0.048)	-0.001	(0.065)	-0.087	(0.058)	0.217**	(0.067)	0.045	(0.065)
Rad. Right	-0.200*	(0.088)	0.012	(0.094)	0.052	(0.105)	-0.263***	(0.071)	0.012	(0.095)	-0.173*	(0.085)	-0.231*	(0.101)	0.336***	(0.090)
Academic																
Senior off.	-0.040	(0.088)	0.144	(0.093)	0.239*	(0.111)	0.032	(0.070)	-0.058	(0.098)	0.247**	(0.078)	-0.063	(0.089)	0.049	(0.099)
Clark	0.013	(0.059)	0.102	(0.064)	0.213**	(0.070)	0.052	(0.049)	-0.008	(0.061)	0.045	(0.058)	0.015	(0.065)	0.098	(0.065)
Sales	-0.007	(0.081)	0.056	(0.089)	0.336***	(0.099)	-0.004	(0.065)	0.053	(0.082)	-0.040	(0.071)	0.067	(0.088)	0.187*	(0.083)
Service	0.002	(0.068)	0.174*	(0.073)	0.186*	(0.082)	0.068	(0.057)	0.106	(0.070)	0.137*	(0.063)	-0.081	(0.077)	0.239**	(0.074)
High work	-0.004	(0.073)	0.103	(0.081)	0.281**	(0.091)	0.024	(0.062)	-0.094	(0.085)	0.003	(0.073)	-0.035	(0.085)	0.145	(0.079)
Mid. work	-0.261	(0.139)	0.017	(0.138)	0.315*	(0.144)	-0.158	(0.140)	0.160	(0.127)	0.139	(0.104)	-0.258	(0.153)	0.195	(0.149)
Low work	0.312**	(0.107)	0.054	(0.123)	0.238*	(0.120)	0.113	(0.082)	-0.075	(0.114)	0.078	(0.103)	0.035	(0.120)	-0.010	(0.107)
Agricult.	-0.171	(0.293)	0.018	(0.248)	-0.177	(0.244)	0.206	(0.146)	-0.016	(0.214)	-0.350	(0.198)	0.297	(0.194)	0.050	(0.249)
A. forces	-0.070	(0.223)	-0.343	(0.346)	-0.036	(0.267)	-0.364	(0.198)	0.373	(0.379)	-0.577**	(0.220)	-0.179	(0.311)	-0.094	(0.237)
Crafts	-0.275	(0.262)	-0.421	(0.353)	-0.099	(0.265)	-0.063	(0.185)	0.289	(0.257)	0.041	(0.288)	-0.358	(0.267)	-0.049	(0.237)

Table 57 (continued): Interaction between evaluation of the job market situation and self-interest (index)

Switzerland																
Germany	0.274***	(0.076)	0.312***	(0.090)	0.432***	(0.095)	0.069	(0.070)	0.046	(0.081)	0.001	(0.076)	0.223**	(0.085)	0.373***	(0.085)
Denmark	-0.035	(0.064)	-0.119	(0.070)	-0.225**	(0.077)	-0.170**	(0.054)	0.178**	(0.063)	0.254***	(0.058)	-0.126	(0.068)	-0.325***	(0.066)
France	0.068	(0.072)	0.083	(0.084)	-0.892***	(0.088)	-0.196**	(0.061)	-0.124	(0.079)	0.334***	(0.064)	0.256**	(0.079)	0.238***	(0.071)
Italy	-0.051	(0.076)	0.197*	(0.088)	0.032	(0.096)	-0.249***	(0.061)	-0.014	(0.084)	0.039	(0.070)	0.543***	(0.087)	0.322***	(0.076)
UK	0.218***	(0.064)	0.523***	(0.073)	0.799***	(0.079)	0.006	(0.060)	0.228**	(0.072)	0.276***	(0.066)	0.578***	(0.075)	0.365***	(0.068)
Constant	3.787***	(0.158)	3.352***	(0.175)	3.003***	(0.203)	3.938***	(0.147)	3.133***	(0.169)	3.992***	(0.146)	2.832***	(0.183)	3.159***	(0.180)
R^2	0.286		0.223		0.303		0.170		0.230		0.138		0.376		0.282	
adj. R^2	0.281		0.217		0.298		0.164		0.225		0.132		0.371		0.276	
N	3884		3884		3884		3884		3884		3884		3884		3884	

Standard errors in parentheses, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$Reference categories: Switzerland, Academics, Centrist parties.

Table 58 (continued): Interaction between deservingness and self-interest (index)

	CONDITIONAL						NON-CONDITIONAL									
	ACTIVE		PRO-MARKET		PASSIVE		PRO-MARKET ACTIVATION				H-C ACTIVATION		PASSIVE			
Policies°	(1) Responsibility for the unemployed		(2) Sanction for job refusal		(3) Support depends on engagement		(4) Increase reintegration effort		(5) Public job creation		(6) Training		(7) Reduction of UB		(8) Increase the minimum wage	
Index self-interest	0.001	(0.024)	-0.040	(0.028)	-0.002	(0.031)	0.015	(0.022)	0.016	(0.027)	0.013	(0.025)	-0.047	(0.029)	0.004	(0.028)
Deserving	**-0.495*****	**(0.037)**	**-0.368*****	**(0.039)**	**-0.401*****	**(0.048)**	**0.104****	**(0.037)**	-0.079	(0.044)	**0.102****	**(0.037)**	**-0.644*****	**(0.045)**	0.015	(0.046)
Des*self	**-0.055***	**(0.025)**	-0.017	(0.028)	**-0.067***	**(0.032)**	-0.023	(0.026)	0.003	(0.031)	0.001	(0.027)	-0.029	(0.030)	-0.032	(0.030)
Egalitarian	-0.021	(0.030)	-0.043	(0.033)	-0.002	(0.036)	**0.346*****	**(0.028)**	**0.563*****	**(0.033)**	**0.281*****	**(0.030)**	**-0.127*****	**(0.034)**	**0.594*****	**(0.033)**
Socio-tropic	**-0.078****	**(0.026)**	-0.037	(0.029)	**-0.064***	**(0.031)**	**0.056***	**(0.022)**	**0.123*****	**(0.029)**	0.001	(0.024)	**-0.071***	**(0.030)**	**0.075****	**(0.027)**
Female	0.028	(0.041)	0.014	(0.046)	0.051	(0.050)	0.093**	(0.035)	0.179***	(0.044)	0.075	(0.040)	0.022	(0.046)	0.187***	(0.045)
Age	0.004**	(0.002)	0.007***	(0.002)	-0.001	(0.002)	0.002	(0.001)	-0.006***	(0.002)	0.003	(0.002)	-0.006**	(0.002)	-0.001	(0.002)
Retired	0.003	(0.062)	0.155*	(0.067)	0.116	(0.081)	0.063	(0.053)	-0.007	(0.076)	0.023	(0.060)	0.182*	(0.074)	0.001	(0.071)
Income	0.006	(0.017)	0.075***	(0.019)	0.033	(0.020)	0.024	(0.014)	-0.025	(0.018)	-0.017	(0.016)	0.045*	(0.019)	-0.040*	(0.018)
Center																
Commu.	-0.141	(0.145)	-0.491*	(0.212)	-0.240	(0.187)	-0.264*	(0.122)	0.220	(0.163)	-0.465***	(0.140)	-0.241	(0.160)	0.272*	(0.137)
Left	-0.200***	(0.056)	-0.161*	(0.064)	-0.070	(0.070)	-0.121*	(0.048)	0.180**	(0.061)	0.007	(0.055)	-0.007	(0.066)	0.164**	(0.063)
Right	0.007	(0.057)	0.108	(0.064)	0.216**	(0.072)	-0.118*	(0.048)	0.001	(0.064)	-0.095	(0.059)	0.219**	(0.067)	0.044	(0.065)
Rad. Right	-0.201*	(0.088)	0.009	(0.094)	0.052	(0.105)	-0.266***	(0.071)	0.014	(0.094)	-0.180*	(0.086)	-0.232*	(0.100)	0.333***	(0.090)
Academic																
Senior off.	-0.034	(0.087)	0.144	(0.093)	0.246*	(0.111)	0.033	(0.070)	-0.057	(0.098)	0.242**	(0.077)	-0.060	(0.089)	0.050	(0.099)
Clark	0.017	(0.059)	0.104	(0.064)	0.217**	(0.070)	0.055	(0.049)	-0.009	(0.062)	0.047	(0.058)	0.017	(0.065)	0.101	(0.065)
Sales	-0.004	(0.080)	0.054	(0.089)	0.340***	(0.099)	-0.004	(0.065)	0.055	(0.082)	-0.045	(0.071)	0.069	(0.088)	0.186*	(0.083)
Service	0.005	(0.068)	0.175*	(0.073)	0.189*	(0.082)	0.069	(0.057)	0.106	(0.070)	0.138*	(0.063)	-0.080	(0.077)	0.240**	(0.075)
High work	0.001	(0.073)	0.108	(0.081)	0.286**	(0.091)	0.029	(0.062)	-0.097	(0.084)	0.011	(0.073)	-0.032	(0.085)	0.151	(0.079)
Mid. work	-0.252	(0.139)	0.026	(0.138)	0.324*	(0.143)	-0.150	(0.140)	0.155	(0.127)	0.152	(0.104)	-0.253	(0.153)	0.205	(0.150)
Low work	0.322**	(0.106)	0.059	(0.123)	0.250*	(0.119)	0.119	(0.081)	-0.077	(0.114)	0.082	(0.104)	0.041	(0.120)	-0.002	(0.108)
Agricult.	-0.156	(0.288)	0.021	(0.243)	-0.158	(0.245)	0.211	(0.144)	-0.016	(0.215)	-0.354	(0.195)	0.305	(0.194)	0.057	(0.245)
A. forces	-0.061	(0.219)	-0.330	(0.344)	-0.027	(0.266)	-0.353	(0.193)	0.364	(0.378)	-0.555*	(0.216)	-0.175	(0.309)	-0.080	(0.239)
Crafts	-0.256	(0.259)	-0.408	(0.359)	-0.078	(0.259)	-0.050	(0.186)	0.282	(0.255)	0.056	(0.292)	-0.348	(0.267)	-0.032	(0.245)
Switzerland																
Germany	0.278***	(0.076)	0.308***	(0.090)	0.438***	(0.095)	0.067	(0.070)	0.050	(0.081)	-0.011	(0.077)	0.225**	(0.085)	0.371***	(0.084)
Denmark	-0.037	(0.064)	-0.125	(0.070)	-0.226**	(0.077)	-0.174**	(0.054)	0.182**	(0.063)	0.244***	(0.058)	-0.127	(0.068)	-0.331***	(0.067)
France	0.067	(0.072)	0.081	(0.084)	-0.893***	(0.088)	-0.198**	(0.061)	-0.122	(0.079)	0.331***	(0.064)	0.256**	(0.079)	0.236***	(0.071)
Italy	-0.054	(0.076)	0.195*	(0.088)	0.029	(0.096)	-0.250***	(0.061)	-0.013	(0.084)	0.037	(0.071)	0.541***	(0.087)	0.320***	(0.076)
UK	0.215***	(0.064)	0.516***	(0.073)	0.796***	(0.078)	0.001	(0.060)	0.233**	(0.072)	0.263***	(0.066)	0.577***	(0.076)	0.358***	(0.068)
_cons	3.791***	(0.137)	3.238***	(0.150)	3.032***	(0.170)	3.861***	(0.122)	3.219***	(0.147)	3.752***	(0.128)	2.837***	(0.152)	3.061***	(0.151)
R^2	0.288		0.223		0.305		0.170		0.230		0.135		0.376		0.282	
adj. R^2	0.282		0.217		0.300		0.164		0.224		0.128		0.371		0.276	
N	3884		3884		3884		3884		3884		3884		3884		3884	

Standard errors in parentheses, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$ Reference categories: Switzerland, Academics, Centrist parties.

Table 59: Interaction between egalitarianism and self-interest (index)

	CONDITIONAL						NON-CONDITIONAL									
	ACTIVE		PRO-MARKET		PASSIVE		PRO-MARKET ACTIVATION				H-C ACTIVATION		PASSIVE			
Policies°	**(1) Responsibility for the unemployed**		**(2) Sanction for job refusal**		**(3) Support depends on engagement**		**(4) Increase effort**		**(5) reintegration Public job creation**		**(6) Training**		**(7) Reduction of UB**		**(8) Increase the minimum wage**	
Deserving	**-0.554*****	**(0.026)**	**-0.388*****	**(0.028)**	**-0.470*****	**(0.033)**	**0.079****	**(0.024)**	**-0.076***	**(0.031)**	**0.102*****	**(0.027)**	**-0.674*****	**(0.031)**	-0.016	(0.030)
Egalitarian	**-0.036**	**(0.041)**	**-0.072**	**(0.046)**	**0.048**	**(0.054)**	**0.331*****	**(0.041)**	**0.569*****	**(0.048)**	**0.242*****	**(0.043)**	**-0.103***	**(0.050)**	**0.650*****	**(0.049)**
Egal*self	0.012	(0.029)	0.026	(0.034)	-0.050	(0.037)	0.014	(0.027)	-0.005	(0.035)	0.037	(0.030)	-0.024	(0.034)	-0.054	(0.032)
Self-interst index	0.001	(0.025)	-0.039	(0.028)	-0.004	(0.031)	0.015	(0.021)	0.016	(0.027)	0.014	(0.024)	-0.049	(0.029)	0.001	(0.028)
Socio-tropic	**-0.081****	**(0.026)**	-0.038	(0.029)	**-0.067***	**(0.032)**	**0.055***	**(0.022)**	**0.124*****	**(0.028)**	0.000	(0.024)	**-0.072***	**(0.030)**	**0.074****	**(0.027)**
Female	0.028	(0.041)	0.013	(0.046)	0.053	(0.050)	0.092**	(0.035)	0.179***	(0.044)	0.074	(0.040)	0.023	(0.046)	0.189***	(0.045)
Age	0.004**	(0.002)	0.007***	(0.002)	-0.001	(0.002)	0.002	(0.001)	-0.006***	(0.002)	0.003	(0.002)	-0.006**	(0.002)	-0.001	(0.002)
Retired	0.009	(0.062)	0.158*	(0.067)	0.119	(0.080)	0.066	(0.053)	-0.008	(0.076)	0.026	(0.059)	0.183*	(0.074)	-0.001	(0.071)
Income	0.007	(0.017)	0.076***	(0.019)	0.033	(0.020)	0.025	(0.014)	-0.025	(0.018)	-0.016	(0.016)	0.045*	(0.019)	-0.041*	(0.018)
Center																
Communist	-0.145	(0.146)	-0.496*	(0.213)	-0.233	(0.186)	-0.268*	(0.121)	0.222	(0.163)	-0.472***	(0.140)	-0.237	(0.160)	0.281*	(0.135)
Left	-0.197***	(0.056)	-0.160*	(0.064)	-0.069	(0.070)	-0.119*	(0.048)	0.179**	(0.061)	0.008	(0.055)	-0.007	(0.066)	0.164**	(0.063)
Right	0.004	(0.057)	0.106	(0.064)	0.212**	(0.072)	-0.120*	(0.048)	0.002	(0.064)	-0.095	(0.058)	0.218**	(0.067)	0.043	(0.065)
Rad. Right	-0.199*	(0.088)	0.012	(0.095)	0.049	(0.105)	-0.264***	(0.072)	0.014	(0.094)	-0.177*	(0.086)	-0.233*	(0.100)	0.329***	(0.089)
Academic																
Senior off.	-0.039	(0.088)	0.142	(0.093)	0.239*	(0.111)	0.031	(0.070)	-0.056	(0.098)	0.243**	(0.077)	-0.063	(0.089)	0.047	(0.099)
Clark	0.012	(0.059)	0.102	(0.064)	0.214**	(0.070)	0.053	(0.049)	-0.009	(0.061)	0.046	(0.058)	0.015	(0.065)	0.100	(0.065)
Sales	-0.006	(0.081)	0.055	(0.089)	0.335***	(0.100)	-0.005	(0.065)	0.054	(0.082)	-0.044	(0.071)	0.066	(0.088)	0.183*	(0.083)
Service	0.002	(0.068)	0.173*	(0.073)	0.188*	(0.082)	0.068	(0.057)	0.106	(0.070)	0.136*	(0.063)	-0.080	(0.077)	0.241**	(0.075)
High work	-0.005	(0.073)	0.106	(0.081)	0.281**	(0.091)	0.026	(0.061)	-0.097	(0.085)	0.010	(0.073)	-0.035	(0.085)	0.149	(0.079)
Mid. work	-0.263	(0.139)	0.020	(0.137)	0.320*	(0.143)	-0.156	(0.139)	0.156	(0.127)	0.147	(0.104)	-0.255	(0.153)	0.208	(0.150)
Low work	0.310**	(0.107)	0.053	(0.123)	0.242*	(0.120)	0.113	(0.081)	-0.076	(0.114)	0.078	(0.104)	0.037	(0.120)	-0.002	(0.107)
Agricult.	-0.174	(0.293)	0.008	(0.244)	-0.162	(0.251)	0.201	(0.145)	-0.013	(0.214)	-0.364	(0.194)	0.304	(0.197)	0.064	(0.249)
A. forces	-0.069	(0.224)	-0.330	(0.341)	-0.045	(0.267)	-0.356	(0.194)	0.364	(0.379)	-0.550*	(0.218)	-0.183	(0.308)	-0.092	(0.240)
Crafts	-0.274	(0.261)	-0.412	(0.361)	-0.105	(0.261)	-0.057	(0.186)	0.283	(0.255)	0.059	(0.294)	-0.360	(0.269)	-0.047	(0.237)

Table 60 (continued): Interaction between egalitarianism and self-interest (index)

Switzerland																
Germany	0.274***	(0.076)	0.305***	(0.090)	0.435***	(0.095)	0.065	(0.070)	0.051	(0.081)	-0.012	(0.077)	0.224**	(0.085)	0.371***	(0.084)
Denmark	-0.034	(0.064)	-0.123	(0.070)	-0.226**	(0.077)	-0.173**	(0.054)	0.181**	(0.063)	0.246***	(0.058)	-0.127	(0.068)	-0.332***	(0.067)
France	0.068	(0.072)	0.079	(0.084)	-0.888***	(0.088)	-0.198**	(0.061)	-0.122	(0.079)	0.328***	(0.064)	0.258**	(0.079)	0.240***	(0.071)
Italy	-0.052	(0.076)	0.195*	(0.088)	0.036	(0.096)	-0.250***	(0.061)	-0.013	(0.084)	0.035	(0.071)	0.544***	(0.087)	0.325***	(0.076)
UK	0.220***	(0.064)	0.519***	(0.073)	0.796***	(0.078)	0.003	(0.060)	0.233**	(0.072)	0.267***	(0.066)	0.576***	(0.075)	0.355***	(0.068)
constant	3.792***	(0.138)	3.235***	(0.150)	3.043***	(0.170)	3.861***	(0.121)	3.220***	(0.147)	3.746***	(0.128)	2.842***	(0.152)	3.071***	(0.151)
R^2	0.286		0.223		0.304		0.170		0.230		0.135		0.376		0.282	
adj. R^2	0.281		0.217		0.299		0.164		0.224		0.129		0.371		0.277	
N	3884		3884		3884		3884		3884		3884		3884		3884	

Standard errors in parentheses, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Figure 10: Support for the unemployed depends on their engagement

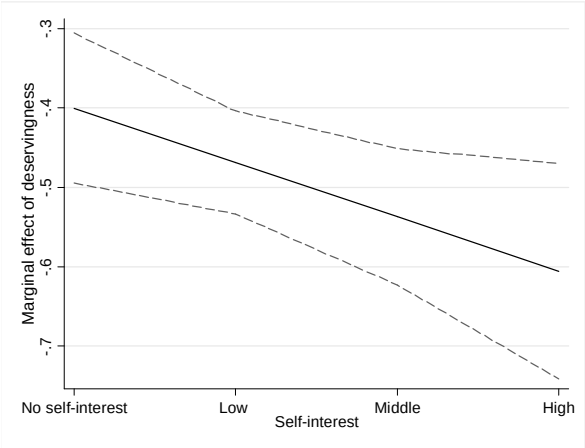


Figure 11: Responsibility for the unemployed should be increased

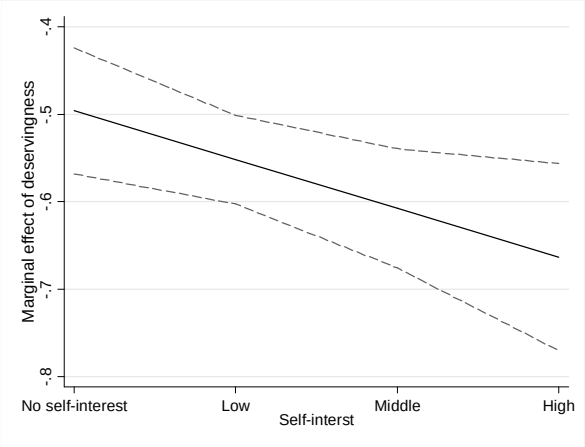
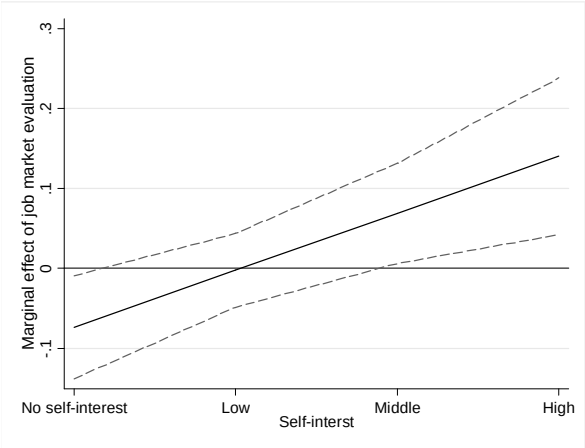


Figure 12: Increasing training effort depending on the level of self-interest and the evaluation of the job market



DISCUSSION

Conclusions: Part I

The dependent variable problem in (active) labour market research

The implications of my findings are manifold but in the following I would like to address five issues that I think are particularly interesting and open up some interesting avenues for further research.

In Part I (Chapters 1–3) I analysed the question of whether, as a consequence of novel societal requests arising as a consequence of macro-developments such as tertiarisation, globalisation and social modernisation (Esping-Andersen 2009; Häusermann 2010), the political conflict in labour market policy pluralises (Bonoli and Natali 2012).

This research question is embedded in the theoretical debate on the transformation of the welfare state taking place in the early 2000s. The main argument in the literature is that welfare reforms can no longer be explained by means of the "traditional" welfare state theories, among which are the Power Resource Approach (PRA) (Korpi 1983; Huber and Stephens 2001) or the Variety of Capitalism (VoC) literature (Hall and Soskice 2001). In particular, scholars have argued that, while these theories explain well the processes leading to welfare benefit expansion and different institutional equilibria (Hall and Soskice 2001; Estevez-Abe and Iversen 2001), they are less well suited to explaining welfare *retrenchment*. The consensus seemed to arise that focusing only on social expenditures and on whether these increase, stagnate or decrease because of direct cuts of services or benefits (Pierson 2001) and/or raising problem pressure (Clayton and Pontusson 1998) is misleading. In fact, depending on the institutional settings and the ideological orientations of the implemented policies, the impact of reforms in terms of economic and welfare outcome differ widely.

Starting with Pierson (1996 and 2001) and his distinction between cost-containing, re-commodificating and re-calibrating reforms, scholars acknowledged that more attention should be paid to studying what (welfare) reforms actually change and started studying "modernising" or "multidimensional" reforms in different policy areas (Bonoli and Natali 2012; Häusermann 2010 and 2012; Clasen and Clegg 2010). Presently, scholarly research focuses on understanding multidimensional post-industrial welfare state reform processes and politics, as well as their (distributional) implications (Bonoli and Natali 2012; Emmenegger et al. 2011 Häusermann 2010). The main insight of this literature is that policy reforms with similar goals may be very different in nature. These may entail elements of retrenchment, as in the most recent unemployment benefit reform in Switzerland (2010), or procedural or institutional change, as in Germany and the UK where social insurance and social assistance were fused into a single unemployment scheme. In particular, labour market reforms may attempt to re-commodificate workers, pushing them back into work by means of (negative) incentives (as was the case with Universal Credit in the UK), or may re-distribute resources among different groups of recipients.

The multidimensionality of the recent reforms is explained in terms of the emergence of several new social need groups, of the differentiation within traditional interest groups (Häusermann 2010, Rueda 2006), of functional pressure (austerity in particular) (Pierson 1996) or institutional "layering" and "spillover" effects (Palier and Thelen 2010). Post-industrial reforms are, however, not only characterised by the re-allocation of resources among different groups of beneficiaries but particularly in continental and southern European countries with the contemporaneous attempt to turn institutional "vice[s] into virtue" (Levy 1999). In their studies, scholars such as Häusermann (2010) found that "modernising" reforms develop thanks to the possibility of overcoming coalition-formation on a simple left–right basis (Bonoli and Natali 2012). This phenomenon of building innovative and issue-specific coalitions is pivotal in overcoming the blockade of traditional labour versus capital-based conflicts, which in times of "permanent austerity" entail either unrealistic demand for either benefit expansion

or an even more accentuated liberalisaiton of markets. Since a mere "race to the bottom" seem not a viable option and has not materialised, it is worthwhile analysing the other strategies which have been chosen thanks to new coalitions and cooperations. In fact, multiple political conflicts, and the increasing fragmentation of "traditional" interest representation (Rueda 2005), allow for eclectic coalition-building and novel, more complex, policy reform strategies (Häusermann 2010; Bonoli and Natali 2012).

The conclusions I draw from Chapter 3 go in a similar direction. In fact, I could show that while traditionally labour market policy strategies could be captured by a left–right political conflict, in the context of tertiarised labour markets an analytical framework of more/less (welfare) state generosity is no longer an accurate measure of the relevant political conflicts. Thus, in line with many other scholars of welfare research, I show that whereas a dichotomous setting of generous state intervention versus market liberalism was applicable to passive and regulatory welfare state benefits, and hence the more "traditional" labour market instruments, it is no longer suited to the analysis of post-industrial labour market reforms. In particular, this setting is not able capture the character of the *activation policies* which have seemed to prevail in recent decades' labour market reforms (Clasen and Clegg 2011).

Hence, my effort to operationalise the strategic orientation of ALMPs[91] is an attempt to describe a (novel) salient conflict which could contribute to the understanding of current labour market reforms and their differences between countries.

Inevitably, the results of Chapter 3 suffer from some limitations. In fact, the data source is rather qualitative and presents selection biases due to the non-response of specific actor types. However, even under such adverse conditions I was able to show rather clearly that at least two independent conflict dimensions can be distinguished in the domain of labour market policy. First, and as expected, this

[91] With strategic orientation I refer to the degree to which activation policies are oriented towards increasing human capital or re-introducing workers in the labour market (pro-market orientation).

policy domain is still structured by an economic conflict dimension but, as suggested by the regime-specific factor analyses, this axis is complemented by a second one which deals with activation policies. In more detail, I was able to show that in all countries the political elites fight about the expansion or the retrenchment of *specific* activation strategies. Whereas in the flexicurity countries, where ALMPs are already well established, the main political conflict concerns the question of whether the states' effort in terms of short-time work, training and public job creation should be expanded, in the dualisation countries the most salient issues concern strategies characteristic to the "occupational" activation model (Bonoli 2010; Barbier and Fargion 2004; Barbier and Ludwig-Mayerhofer 2004). The results for the UK are the most ambiguous because of the small number of interviews we were able to collect; however, even in this country we found a strong indication for a multidimensional policy space.

In my opinion, the literature on post-industrial reforms is proven right when arguing that focusing on analysing the *multidimensionality* of (labour market) reforms is a way to understand welfare state change better. Moreover, the conclusions I draw from Chapter 3 directly speak to the discussion launched by Green-Petersen's (2004) contribution on the "dependent variable problem" in welfare state research (see also Allan and Scruggs 2004). Thus, paying particular attention to the theoretical foundations of the operationalisation of the dependent variable was pivotal in my research. In fact, without the theoretical expectations that the political contest in different regimes might concern different sets of activation policies, I would probably have overlooked this second – regime-specific – policy dimension.[92] Hence, the question is not only what exactly should be measured but in the present case even more importantly whether these phenomena can be captured by the *same* variables in each country. My results suggest that large-N studies may overlook the presence of *functional equivalents* and hence might not able to detect institutions, policies, conflicts, etc. addressing similar problems in

[92] In fact, running just a single factor analysis for all countries together gives suboptimal results and is misleading because it suggests that there is no second conflict dimension.

diverse manners. Thus, the theoretical expectations that countries might present diverging policy conflicts because of their policy legacies and the reliance on more than one indicator of activation measures, to operationalise the different "ideological orientations", have stopped me from overlooking the most interesting issues. Furthermore, several analyses suggest that it is vital to pay attention to subsamples and their specificities. In particular, detailed analyses in terms of country/regime variations, especially with respect to functionally equivalent institutions or conflict structures, were proven to give interesting insights on the reasons why countries still (seem to) diverge (Scharpf and Schmidt 2001), resisting homogenising supranational pressure coming from the ILO, the European Employment Strategy (EES) or the Organisation for Economic Cooperation and Development (OECD).

The present attempt to measure the importance of activation policies for the labour market context is explorative and hence far from perfect. However, I was nevertheless able to give an impression of the complexity of modern labour market conflicts and sketch the coalitions which result from the contest over these policy strategies. In sum, I show that the endorsement of activation policies heavily depends on the specific activation strategy and hence that a mere focus on left–right or more–less shortcuts ignores the currently most relevant feature of labour market policy conflict: the fight over the *variety of activation policies*.

Interest representation in the domain of labour market activation

As I argued previously, and in line with scholars such as Bonoli and Natali (2012) and Häusermann (2010), I found that labour market policy dimensions pluralise.[93] In my view, the fact that political actors are positioned in a complex, at least two-dimensional, issue-specific policy space, and that they coalesce flexibly and at times even "ad hoc", has a particularly important implication: namely, that it is increasingly difficult to *assume* political actors' preferences. In the political science literature, the preferences of political actors are often treated as exogenous or "deducible" from party affiliation or ideological adherence. When moving away from a one-dimensional policy space these deductive assumptions, however, are increasingly likely to be misleading. This is also one of the main reasons why Rueda's (2006 and 2007) work is hotly debated. In fact, to some extent he theoretically assumes that the preferences of labour market insiders and outsiders (must) diverge even though already the literature on electoral choice has shown how problematic it is to draw a line from socio-structural variables to party loyalties (compare Dalton 2000). Among others, Kriesi (1998) and Oesch (2008) show that these traditional variables are less and less able to explain political preferences as compared to "the golden ages of the welfare state development" and they propose more appropriate alternatives in terms of a new class scheme. Accordingly, nowadays, the effort to actually *measure* the preferences and positions of different constituencies[94] appears to be indispensable. By consequence, an interesting avenue for further research is to actually assess the labour market policy reform preferences of different constituencies, because it is still debated for instance whether social-democratic parties represent the needs of precariously employed workers (outsiders) or whether they rather lobby for labour market

[93] This is also the reason why this body of literature is called the "variety of activation literature".

[94] Naturally, the definition of "constituencies" can be highly problematic and far from straightforward, as exemplified in the dualisation literature.

insiders, and eventually, if the (new) social risk groups are represented by the same parties in all countries.

The analysis of functionally equivalent labour market policies

Dealing with labour market policy in six different countries, and especially comparing liberal (UK and to some extent Switzerland), Nordic (Denmark), Continental (France, Germany) and southern European countries (Italy), has driven my attention again and again toward institutions that address the same problems in, at times, astonishingly different ways. This diversity has struck me as particularly challenging for comparative research. In my opinion, it would be interesting to focus even more on the institutional "starting points", so as to fully do justice to the differences I encountered in these six countries. In fact, even (labour market) policies which address exactly the same problem, such as national retirement schemes, imply different social and distributive consequences just because their "development" or the problem pressures slightly differ. In line with the argument made by Clayton and Pontusson (1998), even a small retrenchment of unemployment benefits in a specific country might lead to a more pronounced liberalisation than a bigger retrenchment in another country. Similarly, the *framing* and the national *understanding* of problems or policies may differ dramatically. For instance, in Italy, generous pension schemes take care not only of the income of pensioners but also of whole families, and thus the practical and symbolic relevance of this institution is comparatively far-ranging. This fact can be observed best in the way in which the debates about a particular institution are framed in comparative perspective.[95] Obviously, pension cuts are more problematic in countries where these

[95] The fact that national framings may differ and disclose national particularities is another motivation to study labour market framing across countries.

are not complemented by strong family allowances, generous unemployment benefits or effective youth training schemes as is the case in flexicurity countries. Thus, cuts in Sweden are not equivalent to cuts in Italy even if the same amount of GDP[96] is retrenched. In my opinion, the risk in comparing similar-but-not-equivalent institutions across Europe (and even more so across the word) is that we underestimate the differences in relevance (salience), meaning (framing) and implications (outcomes) of *similar* or even *equivalent* policies. These problems are particularly interesting and at the same time extremely hard to handle. The issues are exacerbated when the aim is to compare regimes rather than single welfare schemes. An admirable attempt in this respect has been made by Thelen (2012), who makes a strong argument for analysing liberalising welfare reform *trajectories*. By focusing on the development of reforms she is able to acknowledge the institutional starting points in terms of problem pressure and the actual distributive outcomes, comparing the *direction* and the *dynamics* of reforms across countries. Unfortunately, empirical studies and analytical procedures that implement this theoretical outline are still scarce.

Another problem, which might be addressed with the approach proposed by Thelen and which is well known in the sociological literature, is the counterproductive results that reforms may develop. At times policies that target a particular problem cause unwelcome effects because of an interaction with pre-existing institutional settings (Gomolla and Radtke 2002; Fossati 2011), because of unintended consequences (Emmenegger 2010), or because of institutional drift (Hemerijck and Eichhorst 2010; Streeck and Thelen 2005).

The study of the public debates in different countries proved to be particularly interesting because of the insight that specific institutions or policies, even though having the same function, may entail

[96] Moreover, measures based on GDP have several other drawbacks, such as the need to control for the country's economic development, etc.

entirely different *significances*. Hence, not only is it a complex matter to compare the institutional settings of (functionally) equivalent welfare policies but even more so to fully capture their social meaning and the way these are framed in the public sphere. The example of an entirely different framing of the causes of unemployment in Germany and France illustrates this point. Whereas in Germany politicians discuss in particular the necessity of introducing behavioural corrections to decrease unemployment, in France the political elites blame structural problems for the high numbers of jobless people. In part, these differences can be attributed to specific policy legacies; however, in light of the fact that both these countries belong to the same welfare and labour market regime type, it is still astonishing how little the respective frames of the debates have in common. In my opinion, these questions offer very interesting roads for further research. Particularly interesting is the question of whether differences in framing have an impact on the nature of political actors' coalitions across regimes because, as I could show, coalitions are very diverse across regimes and at times even across countries.

Conclusions: Part II

Self-interest and value: how are these variables related?

In the second part of this thesis I focused on analysing public attitudes towards different types of labour market policies. In Chapter 4, I focused on explaining preferences for the economic dimension of political conflict and analysed whether self-interest or value-based approaches explain citizens' preferences better. In Chapter 5, I then turned my attention to public preferences with respect to different *types* of ALMPs. I inquired whether high levels of self-interest determine preferences for

voluntary human-capital activation rather than conditional work-first measures and whether and how rational economic motives interact with socio-tropic evaluations of labour market development.

Moreover, I made reference to the dualisation debate (Rueda 2005 and 2006; Emmenegger 2009; Häusermann and Schwander 2012) and included measures allowing me to analyse whether labour market outsiderness influences preferences for specific measure types.[97] I hence engaged in an analysis of objective situations which may increase the risk of being or becoming unemployed and explored how these influence public attitudes. I then complemented this perspective with an analysis of how *perceptions* of risk influence preference-formation mechanisms to test whether perceived risk determines individual attitudes just as objective situations do. My findings refute this hypothesis and suggest instead that citizens tend to rationalise their perceptions, attributing their preferences to either values or evaluations of economic developments. The results also indicate that objective and subjective self-interest, values, and socio-tropic evaluations are strongly interconnected and that often the objective situations of needs are, at least partially, translated into value orientations before determining political attitudes. Moreover, I could show that both values and self-interest exert direct as well as indirect effects on preferences. I thus reach the conclusion that public opinion data analyses with straightforward rational-choice or simplistic value-based arguments are suboptimal analytical strategies for explaining the mechanisms leading to an endorsement of specific policies. I hence think that it is worthwhile interrogating these processes in more detail and by means of more sophisticated analytical strategies so as to understand better how the *homo economicus* and *the homo sociologicus* actually coexist.

[97] Unfortunately, the analyses do not allow for the operationalising of outsiderness basing on the Oesch (20006) classification; therefore, I had to rely on proxies and operationalised outsiderness foremost in terms of unemployment but of part-time work and in its interaction with gender.

The morality of new labour market policies

Analysing the effect of deservingness (frames) on public attitudes was particularly fascinating because I was able show that deservingness judgements are powerful predictors of labour market attitudes. In my opinion this result has potentially large implications for labour market and generally for welfare reform processes in the post-industrial context. In fact, nowadays labour market reforms more closely resemble zero-sum games rather than win–win situations and hence particular attention has to be devoted to defining which groups should profit from expansion and which must accepts cuts. As we have seen in many reform processes, and in particular in those combining active and passive requirements, distinctions between more or less deserving groups often provide the basis for reform decision-making. This was pointed out clearly by Pierson in 1996. The author suggested that politicians avoid blame by cutting the benefits of those constituencies that are electorally less problematic. Coughlin's (1980) study provides insights on the specific rank order of groups based on public perceptions of the level of welfare support they should be entitled to. This rank order has been shown to be highly stable in many follow-up studies (van Oorschot 2006; Larsen 2008a and 2008b).

The increasing moralisation of the welfare reform discourse may have even wider implications because the individualisation of welfare support, which depends on the compliance and cooperation of the individual unemployed person, has the potential to increase discrimination among the unemployed. The individualised sanctioning mechanisms might potentially lead to discriminating between those people who are in a position to comply and those who are deliberatively or involuntarily not able to do so (Handler 2003). The concern is that those unemployed people who are not able to comply might be the weakest links in the chain, and hence that increasing conditionality may lead to multiplying their disadvantages.

Thus, the use of these rather effective deservingness frames should be considered carefully by politicians because these entail the possibility of drawing boundaries between in-groups and non-deserving out-groups and might lead to social disruptions. Possibly, the nature of social rights as universal rights could be called into question and substituted with (retrospective or prospective) evaluations of reintegration efficacy based on stereotype reciprocity expectations, as has been recently suggested by Sniderman et al. (2013).

Even though the provision of individualised activation and particularly of retraining schemes is a highly efficacious strategy to reduce unemployment, however, a vigilant eye should be kept on the criteria regulating access, in order to prevent a two-tier selection of the unemployed who are eligible for activation and training schemes in particular. Further research could thus address the question of whether activation schemes reinforce discrimination or add novel forms. In fact, pre-existing in- and out-group stereotypes might start to interact with novel institutional discriminations, thus further decreasing the odds of, for instance, an unemployed person with an immigration background, who may not be able to fulfil the activation requirements. In my opinion, studying the mechanisms leading to cumulative disadvantages is a matter of particular interest and scholarly research is needed to accompany the reform processes, analysing their implications with respect to social inequality.

General conclusions and avenues for further research

The varieties of activation policies

The main conclusions I draw from this PhD project is that the consequences, organisation and implications of ALMPs are even more variegated than I expected them to be after reading the

contributions of the "varieties of activation" literature (Barbier and Ludwig-Mayerhofer 2004, Bonoli 2010). Most importantly, I learnt that the implementation of similar labour market reforms, meaning common guidelines such as the EES, can easily be adapted and develop country-specific "twists" by interacting with pre-existing institutions, actor constellations and framing strategies (Ferrera and Gualmini 2004).

The actual actor coalitions I analysed and described in Chapter 3 suggest that theories such as the one presented by Rueda (2006) are too simplistic in terms of explaining with whom political actors coalesce and what kind of strategies these actors propose in different institutional settings. Thus, in a future project and in line with the analyses by Häusermann (2010), I would like to focus on finding out more about which political actors endorse different types of activation reforms and with whom they cooperate so as to do so. I also think that the traditional small-N studies as proposed for instance by Clasen and Clegg (2011) should be complemented with some medium-N analyses which could answer more general questions, such as for instance whether specific activation *trajectories* develop, instead of focusing on the "many details of single activation reforms". I hope to answer some of these follow-up questions by means of a complementary and recoded version of the Rodolfo de Benedetti "Social Reforms Database", which could shed more light on the question of what coalitions endorse specific types of activation policies around Europe.

In sum, in my opinion this thesis suggests that there are plenty of un- or underexplored and interesting issues to be addressed in future studies – including the analysis of labour market reform trajectories and of functionally equivalent institutions – but in particular that questions linked to social inequality are equally fascinating and socially relevant avenues for further research.

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Biography

Curriculum Vitae

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Research and Current Position

September 2012-October 2013	**Doctoral Student**, at the Chair for Swiss Politics and Comparative Political Economy, Prof. Dr. Silja Häusermann, University of Zurich
October 2009-September 2012	**Junior researcher and Doctoral Student**, NCCR Democracy 21, Project 11: *Strategies of Political Actors in a Public Debate*, Prof. Dr. Hanspeter Kriesi, University of Zurich
January-September 2009	**Research and Teaching Assistant** at the Chair for Political Science Methodology, University of Zurich
April 2009	**Master in Political Science,** Sociology and International Law, University of Zurich (mark 5.87 out of 6)
October 2008	**Master Thesis:** *The Effect of Integration and Social Democratic Welfare States on the Educational Achievement of Immigrant Students*, Department of Sociology, Prof. Dr. Marc Szydlik, University of Zurich (summa cum laude)

Awards and Grants

June 2013	**NCCR Democracy Doctoral Program Publication Award**, for the best single authored paper published in a peer-reviewed journal
August 2009-August 2012	**Pro-Doc Grant**, Swiss National Science Foundation, Grant Number PDFMP1-126421, NCCR Democracy Project "Political strategies in a public space", Prof. Dr. Hanspeter Kriesi, University of Zurich

June 2002	**Premio Maraini** award for the best marks in the Modern Languages curriculum (5.88 out of 6)
	Premio Bianchi award for the best exam results in Geography, History and Economy (summa cum laude)

Teaching

Autumn 2013	BA-Seminar: *Swiss Politics: Elections 2011*, with Prof. Dr. Silja Häusermann, University of Zurich
Autumn 2013	BA-Lecture: *Swiss Politics*, teaching assistant to Prof. Dr. Silja Häusermann, University of Zurich
Spring 2012 and 2013	MA-Seminar: *Winners and losers in modern labour market policy,* with Dominik Geering, University of Zurich
Autumn 2012 and Spring 2013	BA-Seminar: *Swiss Politics: Elections 2011*, with Prof. Dr. Silja Häusermann, University of Zurich
Spring 2009	BA-Seminar: *Exercises: Advanced Methods in Political Science*, University of Zurich
Autumn 2008	Teaching-Assistant: *Advanced Methods in Political Science*, Dr. Tobias Schulz, University of Zurich
Autumn 2007	Teaching-Assistant: *Advanced Methods in Political Science*, Prof. Dr. Simon Hug, University of Zurich

Supervised MA-theses

D'Aulerio, Zeno (2013): „Parteiwechsel in der italienischen Abgeordnetenkammer 2001-2013", MA-thesis, Political Science Department, University of Zurich

Debrunner, Yvonne (2013): „Die Angst vor dem sozialen Abstieg: Ursachen und Implikationen", MA-thesis, Political Science Department, University of Zurich

Gander, Heiri (2012): „Sozialkapital und Demokratiequalität in den italienischen Regionen. Eine Ergänzung zu Putnams Making Democracy Work", MA-thesis, Political Science Department, University of Zurich

Supervision of 7 BA-theses

Service to the Profession

Since August 2013	**Senior Member** and **advisor** of *PoliValent* a peer-mentoring group of the Political Science Department University of Zurich
	Coordinator and **member** of an interdisciplinary "Writing group network" at the Political Science Department University of Zurich

June 2013	**Discussant** and **Co-organiser** (with Prof. Dr. Regula Hänggli and Dr. Laurent Bernhard) of the Panel "The Challenges of High Unemployment in (Western) Europe" at the *International Conference of Europeanists*, University of Amsterdam, The Netherlands
Since Mai 2013	**Second Representative** of the Swiss doctoral and post-doctoral students at the Swiss Political Science Institution (SVPW). Co-organisation of the *Young Scholars Forum* at the *Swiss Political Science Conferences*
Since September 2012	**Member** of *PoliValent* a peer-mentoring group, Political Science Department University of Zurich
Since February 2012	**Referee** for the *European Sociological Review*
October 2009-July 2011	**Coordinator** of the *PhD+* peer-mentoring group of the NCCR Democracy (phase II), organization of monthly meetings, and several courses and workshops, including a workshop on scale analysis with Prof. Dr. Marco Steenbergen (University of Zurich) and a workshop on complex programming in Stata, with Lucas Leeman (Columbia University)
Since October 2009	**Member** *PhD+* peer-mentoring group, NCCR Democracy (phase II)

Academic Training

Summer/Winter schools and method courses

12.-17. August 2012	*NordWel and Reassess Summer School*, Hanasaari/Espoo, Helsinki (FI) (paper and poster presentation)
29. August- 2. September 2011	Summer School Lugano, *Structural Equation Modelling (SEM) I,* Prof. Dr. Peter Schmidt and Prof. Dr. Eldad Davidov, University of Giessen and University of Zurich
27.-28. April 2011	Workshop *Multilevel Models*, Prof. Dr. Marco Steenbergen, University of Zurich
17.-18. February 2011	Workshop *Scale Analysis*, Prof. Dr. Marco Steenbergen, University of Zurich
11. January 2011	Workshop *Complex Programming in Stata*, Lucas Leeman, Columbia University
8. July-11. March 2010	*European Voter Winter School: Methodological Issues in Comparative Electoral Analysis*, Prof. Dr. Cees van der Eijk, University of Nottingham (UK)
25. July-21 August 2009	Summer School in Social Science Data Analysis, Essex (UK) Course 1: *Multilevel Analysis: Concepts and Applications*, Prof. Dr. Kelvyn Jones Course 2: *Pooled Time-Series Cross-Sectional Analysis*, Dr. Vera Troeger

Didactic Courses for Teaching Certificate

18.-19. September 2012	*MA-and BA-thesis supervision*, Eva Keller, Didactica, University of Zurich
13.-14. Dezember 2012	*Rethorics for academic teaching*, Wolfgang Wellstein, Didactica, University of Zurich
11. Oktober und 15. November 2012	*Novice: Teaching large audiences*, Stefan Jörissen, Hochschuldidaktik, University of Zurich
11. September 2012	*Peer feedback in teaching*, Anja Pawelleck, Hochschuldidaktik, University of Zurich
27-28. August 2012	*Début: Introduction to teaching*, Sanaz Schröder, Hochschuldidaktik, University of Zurich
26. April 2012	*How to plan successful seminars*, Balthasar Eugster, Didactica University of Zurich
29. October and 20. September 2011	*Learning how to organize teaching*, Annette Trettenborn, University of Zurich
29. Februar and 7. March 2008	*Didactics for Teaching*, Bruno Wohlgemut and Thomas Triebelhorn

Soft-Skill Courses

29. Mai 2013	*Highly productive academic writing*, Prof. Dr. Helen Sword, University of Auckland (NZ)
13. November 2012	*Conflict and negotiation strategies*, Dagmar Engfer, University of Zurich
13.-14. February 2012	*Improve your voice for effective presentation*, Maya Hermann, University of Zurich
20. May 2011	*Research Design*, Dr. Sarah Shepard, ETH Zurich
22.-23. March 2011	*Presentation Skills*, Dr. Sarah Shepard, ETH Zurich
February-June 2010	*Scientific Writing in English*, Anna Ekert-Centowska, University of Zurich

Additional Working Experience and Study Trips

August 2008-February 2009	Administrative Assistant of the Chair of Political Science Methods, University of Zurich
Autumn 2008	Translation Italian/ German of questionnaires and documentation for the Swiss National Science Project

	Parliamentary Decision-Making, chaired by Prof. Dr. Simon Hug and Sarah Bütikofer
August 2008-October 2008	Administrative Assistant of the Chair of International Relations, Prof. Dr. Dieter Ruloff
Autumn 2008 and Spring 2009	Responsible for the Teaching Evaluation of the Political Science Department, University of Zurich
Autumn 2006	Study Trip (one week), European Union, Brussels and Participation in several Young European Swiss (YES) Seminars (Bern, Lucerne und Lugano) with Radio interviews on the subject (RTSI, Rete 3)
2003-2008	Administrative Assistant (part-time), Physiotherapy Dominique Ray, 6986 Miglieglia (CH)
Summer 2003	Sales Assistant Manor Lugano (CH)
Summer 2001 and 2002	Internship Tourist Bureau Caslano (CH) customer consulting and administrative assistant

Publication

Flavia Fossati (2011a): "The Effect of Integration and Social Democratic Welfare States on Immigrants' Educational Attainment: A Multilevel Estimate". *Journal of European Social Policy*, 21(5): 391 - 412.

Conference and Working Papers

2013

Fossati, Flavia (2013a): *Activation Policies in Western Europe. The Multidimensionality of "Novel" Labour Market Strategies*. PhD thesis, Political Science Department, University of Zurich.

Fossati, Flavia (2013b): "How Self-Interest and Values Explain Labour Market Attitudes", paper presented in the panel "The Unpopularity of Welfare State Reforms. Exploring the Micro-Foundations of Standard Assumptions*",* at the *ECPR General Conference*, September 4-7, University of Bordeaux.

The paper is available in the NCCR-Working Paper Series (No. 62), at: http://www.nccr-democracy.uzh.ch/publications/workingpaper/pdf/wp_62.pdf.

A previous version was also presented in the panel "Socio-Economic Inequalities and Political Cleavages in Post-Industrial Societies", at the *ECPR Joint Session*, February 11-16, University of Mainz.

Fossati, Flavia (2013c): "Explaining Public Attitudes Towards a 'Variety, of Activation Policies", paper presented in the panel "The Challenges of High Unemployment", at the *Conference of Europeanists*, 25-27 June, University of Amsterdam.

Fossati, Flavia (2013d): "Public Attitudes Towards Labour Market Policy Measures: The Roles of Political Sophistication and Prejudices", paper presented at *The Swiss Political Science Conference*, February 1-2, University of Zurich.

Fossati, Flavia (2013e): "Labour Market Policy Conflicts and Coalitions." In: Kriesi, Hanspeter, Laurent Bernhard, Flavia Fossati and Regula Hänggli (eds.): *Shaping the Debate on how to Fight Unemployment. A Comparative Analysis of the Political Communication Strategies on Labour Market Policies in Western Europe*. Unpublished Manuscript, Political Science Department, University of Zurich.

Fossati, Flavia (2013f): *Why Social Democrats' Labour Market Preferences Differ Across Regimes*. Unpublished Manuscript, Political Science Department, University of Zurich.

Häusermann, Silja and Fossati, Flavia (2013): "Does Social Policy Matter for Elections? The Relevance of Cultural and Economic Preferences in the Swiss 2011 Election Campaign", paper presented at the Workshop "The 2011 Swiss Elections" (organised for the *Swiss Political Science Review* Special Issue "*The 2011 Swiss Elections"*), 25-26. October, Solothurn.

Kriesi, Hanspeter, Laurent Bernhard, Flavia Fossati, and Regula Hänggli (2013a): "Characteristics of the Debates." In Kriesi, Hanspeter, Laurent Bernhard, Flavia Fossati and Regula Hänggli (eds.): *Shaping the Debate on how to Fight Unemployment. A Comparative Analysis of the Political Communication Strategies on Labour Market Policies in Western Europe*. Unpublished Manuscript, Political Science Department, University of Zurich.

Kriesi, Hanspeter, Flavia Fossati, Laurent Bernhard, and Regula Hänggli (2013b): "Context Structures." In Kriesi, Hanspeter, Laurent Bernhard, Flavia Fossati and Regula Hänggli (eds.): *Shaping the Debate on how to Fight Unemployment. A Comparative Analysis of the Political Communication Strategies on Labour Market Policies in Western Europe*. Unpublished Manuscript, Political Science Department, University of Zurich.

Wueest, Bruno and Flavia Fossati (2013): "Framing Labour Market Deregulation: An Empirical Assessment of Metacultural Ideas in Western Europe", paper presented at the *Publication Seminar*, 11. October, at the Political Science Department, University of Zurich.

2012

Fossati, Flavia (2012a): "Making Labour Market Liberalization Trajectories Dynamic Again", paper and poster presented at the Joint NordWel and REASSESS International Summer School: "State Society and Citizens – Cross Disciplinary Perspectives on Welfare State Development", 12-17 August, Hanasaari/ Espoo, Finland.

Flavia Fossati (2012b): "The Political Conflict Structure in Labour Market Policy", paper presented at the

Swiss Political Science Conference, February 2-3, University of Lucerne.

Wueest, Bruno and Flavia Fossati (2012): "Framing Employment Relations", paper presented at the *Swiss Political Science Conference*, February 2-3, University of Lucerne.

2011

Flavia Fossati (2011b): "Unemployment Policies in Six West-European Countries. Political Actor's Positions in the Policy Space", paper presented at the *ECPR General Conference,* August 25-28, University of Reykjavik.

2010

Flavia Fossati (2010a): "The Effect of Integration on Migrants' School Performance. A Multilevel Estimate", *CIS-Working Paper*, No. 57, Online: http://www.cis.ethz.ch/publications/publications/2010_WP57_Fossati.pdf.

Flavia Fossati (2010b): "The Effect of Integration on Migrants' School Performance. A Multilevel Estimate", paper presented at the *Swiss Political Science Conference*, 7-8 January, University of Geneva.

Newspaper articles, interviews and non-academic books

Pomper, Désirée (2013): „Abstimmungskampf lohnt sich bis zuletzt", Interview, *20-minuten*, 21. September 2013. Online: www.20min.ch, and live comments (ticker) to the federal vote, 22. September 2013.

Fossati, Flavia (2013): „Basisdemokratische Abstimmung in den italienischen Fiat-Werken und die Mobilisierung für die Zukunft Italiens". In Kriesi, Hanspeter and Lars Müller (eds.): *Herausforderung Demokratie*. Lars Müller Publishers: Zurich.

Language skills

Italian and Germany: native languages/ bilingual
English: very good command both written and spoken
French: good command both written and spoken
Spanish: basic knowledge

Computer skills

Stata, SPSS, MLwin and Microsoft-Office skills
SAP basic knowledge